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(Principal Office)

Atty. Sheila Pasicolan - Camerino

Contact Person

(02) 8634-8387

Tel. No.

PRELIMINARY INFORMATION STATEMENT

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FORM TYPE

Secondary License, (if applicable type)

M	S	R	D

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 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

   15 June 2026, 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:

   22 May 2026

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 SHARE

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
15 June 2026

Notice is hereby given that the Annual Meeting of the Stockholders of WILCON DEPOT, INC. (the "Company") will be held on 15 June 2026 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 16 June 2025
4. Presentation and Approval of Annual Report and Financial Statements as of 31 December 2025
5. Ratification of all Acts and Resolutions of the Board of Directors and Management during the Preceding Year
6. Amendment of Articles of Incorporation and By Laws
7. Election of Board of Directors
8. Appointment of External Auditor
9. Consideration of such other matters as may properly come before the meeting.
10. Adjournment

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

On 25 March 2026 the Board of Directors of the Company approved the 2026 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 2026 are entitled to notice, participate and vote at the meeting. The Stock and Transfer Books of the Company will be closed from 23 May 2026 to 15 June 2026.

Stockholders who wish to participate in the meeting must register from 8 am of 1 June 2026 until 5 pm of 11 June 2026 through the ASM registration link below. 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 11 June 2026. 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 11 June 2026 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 11 June 2026 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.phor 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 11 June 2026 at 5 pm. Thank you.

"Appendix 1"

BRIEF DISCUSSION OF THE AGENDA FOR STOCKHOLDERS' APPROVAL

Approval of the Minutes of the Annual Meeting of the Stockholders held on 16 June 2025

The minutes of the annual stockholders' meeting held on 16 June 2025 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 2025 Annual Report and Audited Financial Statements

The audited financial statements as of 31 December 2025 (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 2025 and the outlook for 2026.

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 16 June 2025 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.

Amendment of Articles of Incorporation and By – Laws

Approval by the stockholders will be sought to amend Article I of the Articles of Incorporation of the Corporation and its By - Laws to include WILCON PREMIER OUTLET DEPOT in its trade name/business name.

FROM	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) (Formerly, WILCON DEPOT, INC. (Doing business under the name and style of WILCON DEPOT and WILCON HOME ESSENTIALS)	WILCON DEPOT, INC. (Doing business under the name and style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON, BARGAIN CENTER BY: WILCON DEPOT and WILCON PREMIER OUTLET DEPOT (Formerly, WILCON DEPOT, INC. (Doing business under the name and style of Doing business under the name and style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT)

Rationale for the amendment:

To offer best brands at depot – level prices.

Remarks: A resolution on this agenda item must be approved by stockholders representing at least 2/3 of the outstanding capital stock of the Company.

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 5 June 2026. 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 **15 June 2026,** 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 6, and a "FOR" vote for proposals 1 to 5 as well as for proposal 7.

ITEM NO.	SUBJECT MATTER	ACTION		
		For	**Against**	**Abstain**
1	Approval of Minutes of Previous Meeting			
2	Approval of 2025 Annual Report and AFS			
3	Ratification of all Acts and Resolutions of the Board of Directors and Management during the Preceding Year			
4	Amendment of Articles of Incorporation			
5	Amendment of By Laws			
6	Election of Directors	**FOR ALL***	**WITHHOLD FOR ALL***	**EXCEPTION**
	*All nominees listed below 1. Evelyn R. Singson (Independent) 2. Lydia B. Echauz (Independent) 3. Florencia G. Tarriela (Independent) 4. Arthur N. Aguilar (Independent) 5. Lorraine Belo-Cincochan 6. Mark Andrew Y. Belo 7. Careen Y. Belo *Note:* *To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list the name(s) under.*			
		For	**Against**	**Abstain**
7	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 _____ 2026 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 2026, has the following details:

Date: 15 June 2026

Time: 9:00 am

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

via Remote Communication

The Presiding Officer and Chairman, Mr. Ricardo S. Pascua shall call and preside the 2026 Annual Stockholders' Meeting on June 15, 2026.

The approximate date on which this Information Statement and accompanying Proxy Forms shall be first sent or given to the stockholders is on 22 May 2026 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 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 2026.

(b) All stockholders of record as of 22 May 2026 are entitled to notice and to vote at Corporation's Annual Stockholders' Meeting on 15 June 2026.

(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 is 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 2026 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	Wilcon Corporation 90 E. Rodriguez Jr. Ave., Ugong Norte, Quezon City Stockholder of Record The President & CEO, Mark Andrew Y. Belo will vote for and in behalf of Wilcon Corporation.	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 Stockholder	Filipino	2,718,117,916	66.30%

		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	Non - Filipino	545,542,016	13.307%
Common	PCD Nominee Corporation Stockholder of Record	PDTC Participants and their clients	Filipino	808,129,335	19.712%

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

Security ownership of directors, nominees for independent director and executive officers as of 30 April 2026 is as follows:

Directors

Title of Class	Beneficial Owner	Position	Citizenship	Amount & nature of 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	Evelyn R. Singson	Independent Director	Filipino	33,000	D	0.00%
Common	Lydia B. Echauz	Independent Director	Filipino	20,000	D	0.00%
Common	Florencia G. Tarriela	Independent Director	Filipino	1	D	0.00%
Common	Arthur N. Aguilar	Independent Director	Filipino	100	D	0.00%

Executive Officers

Title of Class	Beneficial Owner	Position	Citizenship	Amount & nature of 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%
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 of 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 2026

Total number of foreign ownership as of 30 April 2026 is 545,659,426 common shares or 13.3097%.

Item 5. **Directors and Executive Officers**

The following are the incumbent directors of the Company:

Name	Age (as of April 2026)	Nationality	Position	Date of First Election	No. of Years as Director
Lorraine Belo-Cincochan	47	Filipino	Director, President and Chief Executive Officer	30 March 2016	10
Mark Andrew Y. Belo	44	Filipino	Director and Treasurer	30 March 2016	10
Careen Y. Belo	41	Filipino	Director, Chief Product Officer, CIO and CRO	30 March 2016	10
Evelyn R. Singson	82	Filipino	Independent Director	16 June 2025	11 months

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:

- Evelyn R. Singson, 82
- Lydia B. Echauz, 78
- Florencia G. Tarriela, 79
- Arthur N. Aguilar, 80

Independent Directors

Evelyn T. Singson is an independent director of the Company since June 16, 2025. 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); Vice Chair of MAP Arts and Culture Committee of the Management Association of the Philippines (MAP) and Trustee of Women's Business Council Philippines, Inc. 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.

Lydia B. Echauz, is one of the candidates for independent director of the Company. She spent 44 active years in universities as twelve - year UE faculty member, six- year Ateneo associate director, sixteen- year DLSU dean, and ten- year publicly listed FEU president. She has been since compulsory retirement an independent director of publicly listed companies, before, Metro Pacific Investments Corp. among others, and at present Meralco, MGen Renewable Holdings, Inc., Shell Pilipinas Corp., and D&L Industries; executive director of Henry Sy Foundation, Inc.; trustee of SM Foundation, Inc., Museo del Galeon Foundation, Inc., Akademyang Filipino Association, Inc., and Mano Amiga Academy, Inc.; director of Fern Realty Corp., Riverside College, Inc., and NBS College, Inc.

Dr. Echauz is an awardee of Manila, Bulacan, Philippines, as well as her alma maters— St. Theresa's College, Ateneo de Manila University, and De La Salle University. Her outreach includes various scholarship grants, Soroptimist International of Mandaluyong projects, and Women of Malolos Foundation, Inc. advocacies.

Florencia G. Tarriela is also one of the candidates for independent director of the Company. She is a professional banker. She was formerly the Chairman of Philippine National Bank (PNB), the first Filipina Vice President of Citibank N.A. and former Undersecretary of Finance. She is currently board adviser in PNB, LTG and lead Independent Director in Nickel Asia. She is a trustee in Tulay ng Pag-Unlad, a micro finance NGO and Phil Bible Society and an ICD Fellow. She is a gardener and environmentalist and founded Flors Garden in Antipolo. She graduated from the University of the Philippines, BSBA in Economics, and topped the Masters in Economics Comprehensive Exams in University of California L.A.(UCLA).

Arthur N. Aguilar is also one of the candidates for independent director of the Company. He has over 53 years of experience in energy, finance, and corporate leadership. He currently serves as President of Biopower Group of Companies. He previously served as President of Islasol Solar Company and Sacasol Solar Company from 2013 to 2018, and held leadership roles at Global Business Power Corporation from 2010 to 2013 and Victorias Milling Company, Inc. from 2001 to 2004. Mr. Aguilar has held senior positions in both the private and public sectors, including Executive Vice President of Robinsons Land Corporation and General Manager of The Manila Times. He also held leadership roles at Maricalum Mining Corporation, Menzi Development Corporation, PCI Management, Bancom Development Corporation, International Finance, and ASEAMBANK in Singapore. In government service, he served as Chairman of the National Renewable Energy Board, President and CEO of the National Transmission Corporation, Chairman of the Philippine National Construction Corporation, and General Manager of the National Development Company. He has also been affiliated with the Management Association of the Philippines and the Harvard Club of the Philippines, and is a Fellow of the Institute of Corporate Directors.

Mr. Aguilar earned his AB Political Science–Economics and BSC Accounting degrees from De La Salle University in 1969, an MBM from the Asian Institute of Management in 1972, and an MPA from Harvard Kennedy School, Harvard University in 1986.

As of April 30, 2026, the following are the executive officers of the Company:

Name	Age	Nationality	Position
William T. Belo	80	Filipino	Chairman Emeritus
Arthur R. Ponsaran	83	Filipino	Corporate Secretary
Sheila Pasicolan- Camerino	39	Filipino	Asst. Corporate Secretary/AVP-Corporate Lawyer/Compliance Officer
Rosemarie B. Ong	67	Filipino	SEVP-COO
Eden M. Godino	49	Filipino	Senior Vice President - Product Development
Grace A. Tiong	52	Filipino	Senior Vice President - Human Resources
Michael D. Tiong	52	Filipino	Vice President – Global Sourcing
Mary Jean G. Alger	55	Filipino	Vice President – Investor Relations
Lauro D.G Francisco	61	Filipino	Chief Audit Executive
Keith S. Chan	65	Filipino	Vice President - IT
Jea S. Reyes	56	Filipino	Vice President – Finance
Alen E. Alban	48	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.G. Francisco is the Chief Audit Executive. He has 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 served as its Chairman and President in 2025.

Keith S. Chan is the Vice President for IT. He is a member of the Council for the Business Continuity Mangers Association of the Philippines (BCMAP). He is past president for BCMAP 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 under the Funds Management Department in 1982 and held finance position in Seaoil Petroleum Corporation in 1997. Mr. Chan is a recipient of the CIO100 Asia, Hongkong and Wider Region Awards for 2022, 2023 and 2024 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).

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.

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 18 - 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. Ricardo S. Pascua, Chairman and Independent Director of the Company, Mr. Rolando S. Narciso and Mr. Delfin L. Warren, all independent directors of the Company will be reaching their maximum cumulative term of nine (9) years on June 15, 2026.

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 2024, 2025 and projected for 2026.

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	₱53.9M	₱53.8M
Other officers as a group	2024	₱107M	₱7.8M

2025

Key Management Officers	Year	Compensation	Bonuses
Top 5 Officers William T. Belo Lorraine C. Belo-Cincochan	2025	₱54.5M	₱3.9M

Mark Andrew Y. Belo Careen Y. Belo Rosemarie Bosch-Ong			
Other officers as a group	2025	₱114.3M	₱7.8M

Projected for 2026

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	2026	₱56.8M	₱54.2M
Other officers as a group	2026	₱120.8M	₱8.6M

Compensation of Director

Standard Arrangements

All directors attending physically in a board meeting receive a per diem of Forty Thousand Pesos (₱40,000.00) per meeting.

Below is the total amount received by each Independent Director:

Independent Directors	Year	Per Diem	Bonuses
Ricardo S. Pascua	2025	₱240,000.00	₱200,000.00
Ronaldo S. Narciso	2025	₱240,000.00	₱200,000.00
Delfin L. Warren	2025	₱240,000.00	₱200,000.00
Evelyn R. Singson	2025	₱120,000.00	₱200,000.00

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	₱2,300,000.00 (2023)
Reyes Tacandong & Co	₱2,550,000.00 (2024)
Reyes Tacandong & Co	₱2,800,000.00 (2025)

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 15 June 2026 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. 2025 Audited Financial Statements, attached as Annex "B"
3. Certification of Independent Directors and Corporate Secretary, attached as Annex "C"
4. 2025 Sustainability Report, attached as Annex "D"
5. Q1 2026 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 16 June 2026
2. Presentation and Approval of Annual Report and Financial Statements as of 31 December 2025.
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 Board of Directors
6. 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 11 June 2026. 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 11 June 2026 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 07 MAY 2026.

WILCON DEPOT, INC.

By:

ATTY. ARTHUR R. PONSARAN
Corporate Secretary

SUBSCRIBED AND SWORN TO before me in QUEZON CITY this 07 MAY 2026 day of _____ at _____, Affiant exhibited to me his Passport No. issued by DFA NCR South on 04 May 2018 valid until 03 May 2028.

Doc. No. 316;
Page No. 65;
Book No. VIII;
Series of 2026.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528D/01-05-2026/Q.C.
IBP NO. INV 562041/12-01-2025/Q.C.
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add: 473 Boni Serrano Road, Barangay San Roque, Marphy, Quezon City

Compliance with Section 49 of the Revised Corporation Code

Required Disclosures	References
a) The minutes of the most recent regular meeting which shall include, among others: (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	https://investor.wilcon.com.ph/wp-content/uploads/2025/06/Draft-WDI-2025-ASM-Minutes_1.pdf
b) A members' list for nonstock corporations and, for stock corporations, material information on the current stockholders, and their voting rights;	Page 7 – 10 of the Information Statement
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;	Refer to the Management Report of the Information Statement
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;	https://investor.wilcon.com.ph/wp-content/uploads/2026/04/WLCON-2025-17A-Annual-Report-with-Exhibits-PSE-submission_1.pdf
e) An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof;	Page 28 – 29 of the Information Statement
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;	Page 11 – 13 of the Information Statement and Annex C Certifications
g) A director or trustee attendance report, indicating the attendance of each director or trustee at each of the meetings of the board	https://investor.wilcon.com.ph/wp-content/uploads/2026/01/WLCON-Attendance-of-the-Board-of-Directors-for-2025.pdf https://investor.wilcon.com.ph/wp-

and its committees and in regular or special stockholder meetings; h) Appraisals and performance reports for the board and the criteria and procedure for assessment; i) A director or trustee compensation report prepared in accordance with this Code and the rules the Commission may prescribe; j) Director disclosures on self-dealings and related party transactions; and/or k) The profiles of directors nominated or seeking election or reelection.	content/uploads/2026/04/WLCON-2025-17A-Annual-Report-with-Exhibits-PSE-submission_1.pdf Page 17 of the Information Statement Page 16 of the Information Statement Page 11 – 13 of the Information Statement

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 an additional distribution channel for pruned items.

As of December 31, 2025, the Company has 18 branches spread all over the Metro, 86 stores in the provinces, and 10 of which are Do It Wilcon – with a total of 104 operating stores nationwide.

Corporate Restructuring

The following transactions occurred on April 1, 2016 in relation to the spin-off of the retail la

- 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 amounts 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 95,000 stock keeping units (SKUs) as at December 31, 2025. 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 104 stores nationwide, as of December 31, 2025, 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, 2025, the depot format accounted for 96.3% or ₱34,136.3 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 9,000 sqm. As of December 31, 2025, the Company has 94 depots located in all the major cities across the Philippines. Project sales or sales to major property developers, on the other hand, accounted for 0.5% or ₱184.6 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 1,600 sqm. As of December 31, 2025, the Company has 6 Do-It-Wilcon stores in Metro Manila and 2 in Luzon and 2 in Mindanao for a total of 10 Do-It-Wilcon stores. Net sales generated by Do-It-Wilcon stores accounted for 3.2% or ₱1,123.4 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, operates 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	59
	Visayas	12
	Mindanao	11
Total Depot		**94**
Do-It-Wilcon	Metro Manila	6
	Luzon	2
	Mindanao	2
Total Do-It - Wilcon		**10**
TOTAL		**104**

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 2023, 2024, 2025 and 1st Quarter of 2026 as reported by the PSE are shown below:

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

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

2025	High	Low
4th quarter	9.26	6.47
3rd quarter	10.80	8.28
2nd quarter	9.20	5.68
1st Quarter	14.38	6.98

2026	High	Low
1st Quarter	7.55	6.02

The market capitalization of the Company's common shares at the end of April 2025 of for the 1st Quarter of 2026 based on the closing market price of ₱6.02 per share totaled to ₱24.7 Billion.

And the latest practicable share price of the Company dated May 6, 2026 is ₱6.16 per share.

Stockholders

The total number of issued and outstanding common shares of the Company as of 30 April 2026 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	66.300
2	PCD NOMINEE CORPORATION (FILIPINO)	808,129,335	19.712
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	545,542,016	13.307
4	CAREEN Y. BELO	5,100,000	0.124
5	MARK ANDREW Y. BELO	5,100,000	0.124
6	ROSY C. BELO	5,100,000	0.124
7	LORRAINE BELO CINCOCHAN	5,100,000	0.124
8	WILLIAM T. BELO	5,100,000	0.124
9	ROSEMARIE B. ONG	1,369,401	0.033
10	EDEN M. GODINO	267,500	0.007
11	ELLIS C. MAGUAN &/OR MINGMING C. MAGUAN	150,000	0.004
12	GRACE A. TIONG	148,700	0.004
13	MICHAEL D.C TIONG	148,700	0.004
14	BIN NI	117,400	0.003
15	JOSE RUEL J. GODINO	69,400	0.002
16	EVELYN R. SINGSON	33,000	0.001
17	LYDIA B. ECHAUZ	20,000	0.000
18	MING MING C. MAGUAN OR ELLIS C. MAGUAN	20,000	0.000
19	SHEILA P. PASICOLAN - CAMERINO	19,900	0.000
21	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**
March 25, 2026	April 17, 2026	May 12. 2026	PhP 0.14/ regular PhP0.26 / special **PhP 0.40 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, 2026 and 2025

The Company recorded net income of ₱563 million for the first three-month period of 2026, up by ₱26 million or 4.9% from the ₱536 million reported during the same period in 2025. Net margins were 6.1% and 6.4%, respectively. The increase was primarily driven by strong growth in top-line revenue, which more than offset declines in gross profit margins and increases in operating expenses.

Net Sales

Net sales for the three-month period ended March 31, 2026, reached ₱9,170 million, reflecting an increase of ₱761 million, or 9.1%, compared to the same period in 2025. The growth was driven by a 4.0% contribution from new store sales and a 4.7% increase in same-store comparable sales.

During the first quarter of 2026, the Company opened three new depots in Carmona, Cavite, Angeles, Pampanga, and Salawag, Cavite, bringing the total number of branches to 107.

On a per format basis, sales from the depot-format stores, which comprised 96.3% of total net sales, generated ₱8,828 million, representing an increase of ₱713 million or 8.8%, from ₱8,116 million in the same period last year. The growth was driven by a 4.6% contribution from comparable sales and 3.9% contribution from newly opened depots.

The Home Essentials and Do-It-Wilcon format recorded net sales of ₱285 million, an increase of ₱27 million or 10.4% year-on-year, driven mainly by contributions from new Do-It-Wilcon stores. Same-store sales for this smaller store format rose by 1.6%.

The remaining 0.6% of total net sales was contributed by project sales or transactions with major institutional accounts, which totaled ₱56 million, reflecting an increase of ₱22 million, or 62.9%, compared to the prior year.

Gross Profit

Gross profit was higher by ₱131 million, or 4.0%, to ₱3,394 million for the three-month period ended March 31, 2026, from ₱3,264 million in the same period of 2025. While the increase was primarily traced to higher sales volume, the overall growth was tempered by a contraction in the gross profit margin, which decreased by 180 basis points year-on-year to 37%. This contraction was mainly attributable to an unfavorable sales mix, specifically a decreased contribution from higher-margin exclusive and in-house brands, which accounted for 51.7% of total net sales compared to 52.2% in 2025.

Operating Expenses

Operating expenses increased to ₱2,595 million for the period, up by ₱187 million or 7.8% from the prior year's ₱2,408 million. The increase is attributable mainly to expansion-related operating expenses such as depreciation and amortization, outsourced services, trucking, utilities, credit card charges and supplies.

Interest Expense

Interest expense decreased by ₱79 million or 31.0%, to total ₱176 million for the period from the prior year's three-month period of ₱255 million. This decline was primarily attributable to various leases nearing the end of their respective terms. All interest expense reported represents non-cash interest charged on lease liabilities recognized in accordance with the Company's adoption of PFRS 16.

Other Income (Charges)

Other income (charges) for the three-month period ended March 31, 2026, amounted to ₱120 million, which grew by ₱10 million or 8.7% from the ₱110 million due to higher rebates received from suppliers 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 2026 and 2025 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 ending March 31, 2026, reached ₱1,146 million, or 12.5% of net sales, and was higher by 7.8% from the ₱1,063 million, or 12.6% of net sales, recorded for the same period ended March 31, 2025.
2) EBIT for the first three months of 2026 is ₱726 million or 7.9% of net sales, representing a growth of 4.2% compared with the ₱697 million or 8.3% of net sales in the same period of 2025.

The increase in both EBITDA and EBIT was driven by higher net sales, which were partially offset by a decline in gross profit margin and higher operating expenses.

Income Tax Expense

Consequently, the Company's income tax expense increased by ₱6 million or 3.5% to end at ₱180 million in the first quarter of 2026 from the ₱174 million incurred during the same period last year. The increase was due mainly to higher taxable income.

Financial Condition as at March 31, 2026

Liquidity

Net cash provided by operating activities increased by ₱503 million or 46.4% in 2026 compared to 2025, primarily driven by lower inventory purchases during the quarter. Net cash used in investing activities went down by ₱169 million or 26.0% in 2026 compared to 2025, as a result of decreased capital expenditures. Cash used in financing activities reflected ₱569 million lease payments. Current ratio slightly decreased from 2.88:1.00 to 2.44:1.00.

Cash and cash equivalents and short-term investments totaled ₱3,157 million, a ₱586 million or 22.8% increase from the balance as at December 31, 2025. The growth was mainly due to reduction of inventory purchases.

Capital Expenditure

For the quarter, the Company's capital expenditure totaled ₱417 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, 2026	YTD March 31, 2025
Sales	9,169,779,975	8,408,291,423
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense[1]	726,326,502	697,079,391
EBITDA – Adjusted / Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[2]	1,146,401,539	1,063,049,863
EBIT Margin - Treating Interest on Lease Liability as Rent Expense[3]	7.92%	8.29%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[4]	12.50%	12.64%
	As at March 31, 2026	As at March 31, 2025
Return on Equity Ratio[5]	2.37%	2.34%
Current Ratio[6]	2.44	2.13
Debt to Equity Ratio[7]	0.72	0.80

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, 2026 and December 31, 2025

1. Aggregate cash increased by ₱586 million or 22.8% from ₱2,571 million at the close of 2025 to ₱3,157 million as at March 31, 2026, due primarily to reduction of acquisition of property and equipment and higher lease payments.

2. Trade and other receivables totaled ₱374 million as at March 31, 2026, ₱39 million or 11.6% higher than the ₱335 million balance as at December 31, 2025. This increase was primarily driven by the growth in trade receivables resulting from the timing of collections from project sales, which was partially offset by collections from credit card sales.

3. Advance payments to suppliers for merchandise orders and operating expenses, increased by ₱64 million or 39.6% from ₱162 million at the close of 2025 to ₱226 million as at March 31, 2026. This increase is primarily attributable to the timing of merchandise deliveries, representing payments for inventory slated for arrival in the succeeding months.

4. Other current assets down by ₱47 million or 5.9% from ₱796 million at the close of 2025 to ₱749 million as at March 31, 2026. The decrease was primarily driven by the usage of materials and supplies and the application of prepaid rent.

5. Other Noncurrent Assets increased by ₱25 million or 5.0% from ₱491 million at the close of 2025 to ₱515 million as at March 31, 2026. The increase was primarily due to advances related to acquisition of software licenses.

6. The current portion of lease liability decreased by ₱194 million or 23.6% from ₱819 million at the close of 2025 to ₱625 million as at March 31, 2026, due mainly to a higher number of leases approaching their contract end.

7. Income tax payable increased by ₱70 million or 56.0% from ₱125 million at the close of 2025 to ₱195 million as at March 31, 2026, mainly due to year-to-date income taxes.

Income Statement Items

1. Operating expenses increased to ₱2,595 million for the period, up by ₱187 million or 7.8% from the prior year's ₱2,408 million. The increase is attributable mainly to expansion-related operating expenses such as depreciation and amortization, outsourced services, trucking, utilities, credit card charges, and supplies.

2. Interest expense decreased by ₱79 million or 31.0%, to total ₱176 million for the period from the prior year's three-month period of ₱255 million. This decline was primarily attributable to various leases nearing the end of their respective terms. All interest expense reported represents non-cash interest charged on lease liabilities recognized in accordance with the Company's adoption of PFRS16.

3. Other income (charges) for the three-month period ended March 31, 2026, amounted to ₱120 million, which grew by ₱10 million or 8.7% from the ₱110 million due to higher rebates received from suppliers and higher collection of rent income due to additional stores opened.

4. The Company's income tax expense increased by ₱6 million or 3.5% to end at ₱180 million in the first quarter of 2026 from the ₱174 million incurred during the same period last year. The increase was due mainly to higher taxable income.

Results of Operations for the year Ended December 31, 2025, compared with the year ended December 31, 2024

The Company reported a net income of ₱2,446 million for the year ended 2025, reflecting a decline of ₱83 million or 3.3%, compared to ₱2,528 million in 2024. Net margins for the respective periods were 6.9% and 7.4%. The decline in net income was primarily attributable to higher operating expenses, partially offset by an increase in gross profit.

Net Sales

Net sales for the year ended 2025 amounted to ₱35,444 million, representing an increase of ₱1,272 million, or 3.7%, compared to the same period last year. Sales from new stores accounted for 3.9%, while comparable (same-store) sales declined by 0.3%.

The Company concluded the year with a total of 104 stores, following the opening of six (6) new locations, comprising five (5) depot-format stores and one (1) Do-It-Wilcon (DIW) store. Of these newly established branches, five (5) are located in Luzon and one (1) in the Visayas.

The year-end store count reflects the closure of Home Essentials – Ali Mall and DIW South Park Mall during the same period.

On a per-format basis, sales from depot-format stores, which accounted for 96.3% of total net sales, increased by ₱1,307 million, or 4.0%, to ₱34,136 million from ₱32,829 million in 2024. The increase was primarily attributable to the contribution of new depots, as same-store sales growth was flat at 0.0%.

The smaller-format stores, DIW, which include the original Home Essentials stores, recorded net sales of ₱1,123 million, representing an increase of ₱127 million, or 12.8% year-on-year. The growth was primarily driven by the additional branch opened in March 2025, while comparable (same-store) sales for the format increased by 6.8%. As a result, the format's contribution to total net sales rose to 3.2% for the year, compared to 2.9% in the same period in 2024.

The remaining 0.5% of total net sales was attributed to project sales or sales to major institutional accounts, amounting to ₱185 million, a decrease of ₱162 million or 46.8% year-on-year.

Gross Profit

Gross profit for the year 2025 increased by ₱328 million, or 2.5%, reaching ₱13,677 million, compared to ₱13,349 million in 2024. The gross profit margin declined slightly to 38.6%, from 39.1% in the previous year. The increase in gross profit was primarily driven by higher sales volume, partially offset by a contraction in the gross profit margin relative to the prior year.

Operating Expenses

Operating expenses increased to ₱10,139 million for the period, rising by ₱342 million, or 3.5% from the prior year's ₱9,798 million. The increase is attributable mainly to expansion-related operating expenses, such as depreciation and amortization, salaries, wages, and employee benefits, outsourced services, utilities, and repairs and maintenance, partly offset by the decline in trucking, rent, supplies, and advertising expenses.

Interest Expense

Interest expense increased by ₱48 million, or 7.1%, totaling ₱715 million for the period, compared to ₱667 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 2025 totaled ₱424 million, representing a decrease of ₱59 million, or 12.3%, from ₱483 million in 2024. The decline was primarily attributable to lower supplier rebates, partially offset by higher rental income. Non-operating interest income decreased by ₱4 million during the period.

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 are as follows:

1) EBITDA as at December 31, 2025, reached ₱4,768 million, or 13.5% of net sales, increased by 2.6% from the ₱4,647 million, or 13.6% of net sales, recorded as at December 31, 2024.
2) EBIT for the year 2025 is ₱3,215 million or 9.1% of net sales, decreased by 3.5% from ₱3,331 million, or 9.7% of net sales, year-on-year.

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

Income Tax Expense

The Company's income tax expense decreased by ₱38 million or 4.6% to end at ₱801 million for the year 2025 from the ₱839 million incurred during the same period last year. The decrease is due mainly to lower taxable income.

Calamity Loss

During the third quarter of 2025, the Company sustained damages due to an earthquake affecting its branches in Butuan, Agusan del Norte and Tagum, Davao del Norte on October 10, 2025, and a typhoon that affected its Mandaue branch on November 3, 2025. The Company recorded total damages amounting to ₱52.5 million, primarily related to merchandise inventories. On December 29, 2025, the Company received an estimated partial insurance claim amounting to ₱25.0 million, which is subject to final adjustment and is expected to be settled in 2026.

Financial Condition as at December 31, 2025

Liquidity

In 2025, the Company reported an increase of ₱97 million, or 1.6%, in net cash provided by operating activities compared to 2024. This improvement was primarily driven by an increase in working capital, including a reduction in trade receivables and advances to suppliers, partially offset by higher inventory purchases. Net cash used in investing activities decreased by ₱1,351 million, or 34.6%, mainly due to the maturity of short-term investments and lower capital expenditures. Cash used in financing activities amounted to ₱3,577 million, primarily for lease obligations and dividend payments.

As a result, the Company's current ratio strengthened from 2.84:1.00 to 2.88:1.00.

As at December 31, 2025, the cash and cash equivalents, as well as short-term investments, totaled ₱2,571 million, representing an increase of ₱390 million, or 17.9%, from the balance as at December

31, 2024. The increase was primarily attributable to lower capital expenditures and a reduction in trade receivables, partially offset by higher inventory purchases.

Capital Expenditure

The Company's capital expenditures totaled ₱2,270 million in 2025, 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, 2025	As at December 31, 2024
Sales	35,444,304,895	34,172,031,761
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense[1]	3,214,596,488	3,331,303,888
EBITDA – Adjusted/ Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[2]	4,767,647,314	4,646,848,686
EBIT Margin - Treating Interest on Lease Liability as Rent Expense[3]	9.07%	9.75%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[4]	13.45%	13.60%
	As at December 31, 2025	**As at December 31, 2024**
Return on Equity Ratio[5]	9.86	10.61
Current Ratio[6]	2.88	2.84
Debt to Equity Ratio[7]	0.63	0.64

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, 2025, and December 31, 2024

1. Aggregate cash and short-term investments increased by ₱390 million, or 17.9%, from ₱2,180 million at the close of 2024 to ₱2,571 million as at December 31, 2025. The increase was primarily attributable to favorable working capital movements, including a reduction in trade receivables, partially offset by higher inventory purchases.

2. Trade and other receivables totaled ₱336 million as at December 31, 2025, ₱192 million or 36.4% lower than the ₱528 million balance as at December 31, 2024. The decline was primarily driven by the collection of claims receivable related to a fire incident, amounting to 119 million, as well as collections from trade sales.

3. Advance payments to suppliers for merchandise ordered decreased by ₱157 million or 49.2% from ₱319 million at the close of 2024 to ₱162 million as at December 31, 2025. This decrease was primarily due to the receipt of merchandise inventory from suppliers.

4. Merchandise Inventories increased by ₱691 million or 4.9% from ₱14,249 million at the close of 2024 to ₱14,940 million as at December 31, 2025. The growth was primarily driven by higher inventory purchases during the year.

5. Property and equipment increased by ₱735 million or 6.1% from ₱11,946 million at the close of 2024 to ₱12,681 million as at December 31, 2025. This growth was primarily driven by capital expenditures for store network expansion, partially offset by depreciation recognized year-to-date.

6. Net deferred tax assets increased by ₱80.0 million or 12.4% from ₱644 million at the close of 2024 to ₱724 million as at December 31, 2025, due to the impact of PFRS16 accounting and allowance for inventory obsolescence accounting.

7. The current portion of lease liability decreased by ₱115 million or 12.4% from ₱934 million at the close of 2024 to ₱819 million as at December 31, 2025, due mainly to a higher number of leases approaching their contract end.

8. Income tax payable increased by ₱7 million or 6.0% from ₱118 million at the close of 2024 to ₱125 million as at December 31, 2025, mainly due to year-to-date income taxes.

Income Statement Items

1. Interest expense increased by ₱48 million or 7.1%, to a total of ₱715 million for the period from the prior year's ₱667 million, primarily due to additional 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. Other income (charges) for the year ended 2025 amounted to ₱424 million, a decrease of ₱59 million, or 12.3%, compared to ₱483 million in the prior year. The decline was primarily attributable to lower supplier rebates, partially offset by higher rental income. On the other hand, non-operating interest income decreased by ₱4 million.

3. The Company's income tax expense decreased by ₱38 million or 4.6% to end at ₱801 million for the year 2025 from the ₱839 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, 2025, compared with the quarter ended December 31, 2024

The Company recorded a net income of ₱580 million for the fourth quarter of 2025, an increase of ₱169 million, or 41.3%, compared to the ₱411 million reported in the same period in 2024. Net margins for the

quarter were 6.4% and 4.8%, respectively. The growth was primarily driven by higher gross profit, partially offset by higher operating expenses and a decrease in other income.

Net Sales

The Company recorded net sales of ₱9,107 million for the three months ended December 31, 2025, representing an increase of ₱616 million, or 7.3%, from ₱8,491 million in the same period in 2024. The growth was driven by a 3.3% contribution from new stores and a 3.8% increase in comparable (same-store) sales.

Sales from the depot-format stores accounted for the majority of total net sales, amounting to ₱8,766 million, or 96.3%, for the fourth quarter of 2025. This represents an increase of ₱586 million, or 7.2%, compared to ₱8,180 million in the fourth quarter of 2024. The growth was driven by a 3.8% increase in comparable (same-store) sales and a 3.2% contribution from new depots.

The smaller format, DIW, recorded net sales of ₱294 million, accounting for 3.2% of total net sales. It reported an increase of ₱36 million, or 13.8%, during the fourth quarter of 2025 compared to the same period of ₱258 million in the previous year. This growth was primarily driven by the contribution of new Do-It-Wilcon branches.

The remaining 0.5% of net sales was attributed to project sales, or sales to major institutional accounts, amounting to ₱48 million. This represents a decrease of ₱6 million, or 11.0%, compared to the same period in the prior year, when sales totaled ₱53 million.

During the fourth quarter, the Company opened two (2) new locations in Bacnotan, La Union, and within the Subic Bay Metropolitan Authority. During the same period, the DIW – Southpark branch was closed. As a result, the Company ended the quarter with a total of 104 stores.

Gross Profit

Gross profit increased by ₱384 million or 11.9% year-on-year to total ₱3,601 million for the quarter, with a gross profit margin rate of 39.5%. The improvement in gross profit was primarily driven by higher sales and an expansion in gross profit margin of 160 basis points compared to the same period last year.

Operating Expenses

Operating expenses for the fourth quarter of 2025 increased to ₱2,737 million, up by ₱84 million or 3.2% from ₱2,653 million in the same period in 2024. The increase was primarily driven by higher business volume and expansion-related expenses, particularly depreciation and amortization, repairs and maintenance, outsourced services and trucking, partially offset by reductions in supplies, salaries, wages, and employee benefits, rent, and advertising expenses.

Interest Expense

Interest expense during the fourth quarter of 2025 amounted to ₱177 million, higher by ₱9 million or 5.6% from the ₱168 million generated in 2024. The increase 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) for the fourth quarter of 2025 amounted to ₱82 million, a decrease of ₱65 million or 44.3% from the ₱147 million in the same period of 2024. This decline was primarily attributable to income recognized from fire insurance claims in 2024. Non-operating interest income, meanwhile, increased by ₱1 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 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, 2025, totaled ₱1,163 million, or 12.8% of net sales, higher by ₱314 million or 37.0% from the 2024 balance of ₱849 million, or 10.0% of net sales.

2) EBIT for the fourth quarter of 2025 is ₱756 million or 8.3% of net sales, higher by ₱224 million or 42.1% from the prior year's same period level of ₱532 million or 6.3% of net sales.

Income Tax Expense (Benefit)

The Company's income tax expense increased by ₱56 million or 42.1% to end at ₱189 million in the last quarter of 2025, versus ₱133 million incurred during 2024.

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

Income Statement for the quarter ended December 31, 2025, compared with the quarter ended December 31, 2024

1. Other income (charges) for the fourth quarter of 2025 amounted to ₱82 million, lower by ₱65 million or 44.3% from the ₱147 million generated in 2024. This decline was primarily attributable to income recognized from the fire insurance claims in 2024.

2. The Company's income tax expense increased by ₱56 million or 42.1% to end at ₱189 million for the fourth quarter of 2025 from the ₱133 million incurred during the same period last year. The increase is due mainly to higher taxable income.

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-monthperiod 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 closeat ₱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) depreciationand interest expense on lease liability and consider these as rent expense, EBITDA and EBIT were as follows:

3) 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.
4) 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 P977 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

8. *Income before tax add net interest expense less lease interest expense*
9. *Income before tax add net interest expense and depreciation and amortization less lease interest expense and depreciation on ROU assets*
10. *EBIT / Net Sales*

11. *EBITDA / Net Sales*
12. *Net Income / Total Equity*
13. *Current Assets / Current Liabilities*
14. *Total Liabilities / Total Equity*

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

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

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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

5. 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.

6. 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.

7. 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.

8. 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 P1,268 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 amortizationless 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.

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 2025.

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:

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

ANNEX A

COVER SHEET

C	S	2	0	1	5	2	4	7	1	2

S.E.C Registration No.

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(Company's Full name)

(Principal Office)

Atty. Sheila Pasicolan - Camerino	(02) 8634-8387
Contact Person	Tel. No.

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Month	*Day*	**FORM TYPE**	*Month*	*Date*
				(Annual Meeting)

For the year ended
31 December 2023

Secondary License, (if applicable type)

MSRD	N/A
Dept. requiring this doc	**Amended Articles number**

171		
Total stockholders	**Domestic**	**Foreign**

To be accomplished by SEC personnel concerned

File Number	**LCU**
Document I.D.	**Cashier**

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)

2025 December 31

(Fiscal Year Ending, month and day)

SEC FORM 17-A Annual Report

(Form Type)

_____

Amendment Delegation

31 December 2025

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, 2025

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 incorporation or organization — Industry Classification Code:

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 1,354,106,001 voting stocks held by non-affiliates (public shares) as of December 31, 2025, computed based on the closing share price of ₱6.96 on the last trading day December 31, 2025 is ₱9,424,577,766.96.

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, 2025, 2024 and 2023 - Exhibit 1

(b) Statement of Management’s Responsibility for Financial Statements as at and for the years ended December 31, 2025, 2024 and 2023, part of Exhibit 1.

(c) SEC Forms 17-C – Exhibit 2

(d) 2025 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 an additional distribution channel for pruned items.

As of December 31, 2025, the Company has 18 branches spread all over the Metro, 86 stores in the provinces, and 10 of which are Do It Wilcon – with a total of 104 operating stores nationwide.

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 amounts 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 95,000 stock keeping units (SKUs) as at December 31, 2025. 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 104 stores nationwide, as of December 31, 2025, 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, 2025, the depot format accounted for 96.3% or ₱34,136.3 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 9,000 sqm. As of December 31, 2025, the Company has 94 depots located in all the major cities across the Philippines. Project sales or sales to major property developers, on the other hand, accounted for 0.5% or ₱184.6 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 1,600 sqm. As of December 31, 2025, the Company has 6 Do-It-Wilcon stores in Metro Manila and 2 in Luzon and 2 in Mindanao for a total of 10 Do-It-Wilcon stores. Net sales generated by Do-It-Wilcon stores accounted for 3.2% or ₱1,123.4 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, operates 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	59
	Visayas	12
	Mindanao	11
Total Depot		**94**
Do-It-Wilcon	Metro Manila	6
	Luzon	2
	Mindanao	2
Total Do-It - Wilcon		**10**
TOTAL		**104**

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, 2025, consignment sales accounted for 21.5% 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 are 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 the customers to purchase items at any Wilcon Depot store. From a membership of 89,118 in end-2011 and has grown to 933,251 members as of December 31, 2025.

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 104 branches as of December 31, 2025, only twelve (12) 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 for its in-house products used in connection with its home improvement and retail business.

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

Brand	Product Category
POZZI BATHROOM SOLUTIONS	Plumbing and Sanitary Wares
Käsch	Plumbing and Sanitary Wares
Crown Sink stainless steel sink	Plumbing and Sanitary Wares
SEFA	Plumbing and Bathroom Accessories
Arte CERAMICHE	Tiles and Flooring

VERONA TILES	Tiles and Flooring
SOL CERAMICA	Tiles and Flooring
SAIGRES	Tiles and Flooring
BASEL TILES	Tiles and Flooring
ALPHALUX	Electrical and Lighting
HEIM HOME ESSENTIALS	Furniture, Furnishing and Houseware

DIRECT HARDWARE BEST VALUE HARDWARE FOR AMERICA/ASIA/AUSTRALIA	Hardware and Tools
Hamdên – life made easier –	Appliances
KESSEL	Housewares
SUN CRUST OUTDOOR PRODUCTS	Outdoor Products

Government Approvals / Regulations

The Company is subject to various laws and regulations as a retail store. As part of its normal business activities, it obtains various government permits and licenses to lease and operate its 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 10,000 sqm and above. For stores with areas below 10,000 sqm, 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, 2025, the Company has 3,629 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	1,204
Rank and File	2,425
Total	**3,629**

Employment Status	**Number of Employees**
Regular	3,361
Probationary	268
Total	**3,629**

The Company, through its Learning and Development Department (L&D), is committed not just to build better products and services but better people. The Company's Learning Management System, *WILCONnect LMS*, has become a powerful platform where growth, collaboration, and excellence hold center stage. It's not just training. It's a movement that mirrors the Company's ESG (Environmental, Social, Governance) pillars and helps shape who we are as an organization.

WILCONnect LMS is not separate from Wilcon's broader ESG strategy — it is a key part of it.

- Innovate for More Sustainable Products: A well-trained workforce is better equipped to understand sustainable choices and help customers find eco-friendly options. Knowledge here leads to better product decisions and customer guidance — bridging employee skills with environmental impact.
- Take Care of Our People and Communities: Training builds more than know-how. It builds confidence, wellness, and belonging. Offering equitable access to learning reinforces a culture where employees feel valued and empowered, directly supporting Wilcon's social commitments.
- Reduce Our Footprint: Digital learning replaces some in-person sessions and printed materials, aligning with the Company's commitment to reduce waste and energy use. Every online course contributes to a leaner, more efficient way of growing people.

These link back to the pillars in the Company's ESG framework — from product innovation and community impact to employee health and climate responsiveness.

Another project of the L&D is the Shine Bright: Luminary Learners Awards. Shine Bright is more than an award—it's the Company's annual celebration of top learners who exemplify curiosity, commitment, and a passion for continuous growth.

At its core, Shine Bright aims to:

- **Celebrate Excellence:** Recognize learners who lead by example and embody our culture of growth.

- **Inspire Continuous Learning:** Reinforce learning as a habit—engaging, rewarding, and part of everyday work.

- **Promote Collaboration:** Bring together Wilconians across branches and departments through shared learning experiences that strengthen connection and unity.

Together, Shine Bright reinforces the Company's people-first culture and supports its social and governance pillars by developing talent, fostering well-being, and encouraging collaboration across Wilcon community.

Moreover, the rank-and-file employees of the Company are subject to collective bargaining agreements (CBAs). Members are divided per cluster - the NCR, North Luzon, South and Eastern Visayas Cluster and Western Visayas Cluster. The CBA of NCR is valid until 2029, South Cluster is valid until 2030, for North Luzon Cluster it is valid until 2028, for South and Eastern Visayas, their CBA is valid until 2028 and for Western Visayas valid until 2030. 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 3,789 employees within the next 12 months to include new hires for the planned store openings in 2026.

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 an additional burden on the 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 continue 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 17 June 2024
2. 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 Directors
5. 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 2025 as reported by the PSE are shown below:

2025	High	Low
4th quarter	9.26	6.47
3rd quarter	10.80	8.28
2nd quarter	9.20	5.68
1st Quarter	14.38	6.98

The market capitalization of the Company's common shares at the end of 2025 based on the closing market price of ₱6.96 per share totaled to ₱28.5 Billion.

Item 6. Management's Discussion and Analysis

Results of Operations for the year Ended December 31, 2025, compared with the year ended December 31, 2024

The Company reported a net income of ₱2,446 million for the year ended 2025, reflecting a decline of ₱83 million or 3.3%, compared to ₱2,528 million in 2024. Net margins for the respective periods were 6.9% and 7.4%. The decline in net income was primarily attributable to higher operating expenses, partially offset by an increase in gross profit.

Net Sales

Net sales for the year ended 2025 amounted to ₱35,444 million, representing an increase of ₱1,272 million, or 3.7%, compared to the same period last year. Sales from new stores accounted for 3.9%, while comparable (same-store) sales declined by 0.3%.

The Company concluded the year with a total of 104 stores, following the opening of six (6) new locations, comprising five (5) depot-format stores and one (1) Do-It-Wilcon (DIW) store. Of these newly established branches, five (5) are located in Luzon and one (1) in the Visayas.

The year-end store count reflects the closure of Home Essentials – Ali Mall and DIW South Park Mall during the same period.

On a per-format basis, sales from depot-format stores, which accounted for 96.3% of total net sales, increased by ₱1,307 million, or 4.0%, to ₱34,136 million from ₱32,829 million in 2024. The increase was primarily attributable to the contribution of new depots, as same-store sales growth was flat at 0.0%.

The smaller-format stores, DIW, which include the original Home Essentials stores, recorded net sales of ₱1,123 million, representing an increase of ₱127 million, or 12.8% year-on-year. The growth

was primarily driven by the additional branch opened in March 2025, while comparable (same-store) sales for the format increased by 6.8%. As a result, the format's contribution to total net sales rose to 3.2% for the year, compared to 2.9% in the same period in 2024.

The remaining 0.5% of total net sales was attributed to project sales or sales to major institutional accounts, amounting to ₱185 million, a decrease of ₱162 million or 46.8% year-on-year.

Gross Profit

Gross profit for the year 2025 increased by ₱328 million, or 2.5%, reaching ₱13,677 million, compared to ₱13,349 million in 2024. The gross profit margin declined slightly to 38.6%, from 39.1% in the previous year. The increase in gross profit was primarily driven by higher sales volume, partially offset by a contraction in the gross profit margin relative to the prior year.

Operating Expenses

Operating expenses increased to ₱10,139 million for the period, rising by ₱342 million, or 3.5% from the prior year's ₱9,798 million. The increase is attributable mainly to expansion-related operating expenses, such as depreciation and amortization, salaries, wages, and employee benefits, outsourced services, utilities, and repairs and maintenance, partly offset by the decline in trucking, rent, supplies, and advertising expenses.

Interest Expense

Interest expense increased by ₱48 million, or 7.1%, totaling ₱715 million for the period, compared to ₱667 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 2025 totaled ₱424 million, representing a decrease of ₱59 million, or 12.3%, from ₱483 million in 2024. The decline was primarily attributable to lower supplier rebates, partially offset by higher rental income. Non-operating interest income decreased by ₱4 million during the period.

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 are as follows:

1) EBITDA as at December 31, 2025, reached ₱4,768 million, or 13.5% of net sales, increased by 2.6% from the ₱4,647 million, or 13.6% of net sales, recorded as at December 31, 2024.
2) EBIT for the year 2025 is ₱3,215 million or 9.1% of net sales, decreased by 3.5% from ₱3,331 million, or 9.7% of net sales, year-on-year.

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

Income Tax Expense

The Company's income tax expense decreased by ₱38 million or 4.6% to end at ₱801 million for the year 2025 from the ₱839 million incurred during the same period last year. The decrease is due mainly to lower taxable income.

Calamity Loss

During the third quarter of 2025, the Company sustained damages due to an earthquake affecting its branches in Butuan, Agusan del Norte and Tagum, Davao del Norte on October 10, 2025, and a typhoon that affected its Mandaue branch on November 3, 2025. The Company recorded total damages amounting to ₱52.5 million, primarily related to merchandise inventories. On December 29, 2025, the Company received an estimated partial insurance claim amounting to ₱25.0 million, which is subject to final adjustment and is expected to be settled in 2026.

Financial Condition as at December 31, 2025

Liquidity

In 2025, the Company reported an increase of ₱97 million, or 1.6%, in net cash provided by operating activities compared to 2024. This improvement was primarily driven by an increase in working capital, including a reduction in trade receivables and advances to suppliers, partially offset by higher inventory purchases. Net cash used in investing activities decreased by ₱1,351 million, or 34.6%, mainly due to the maturity of short-term investments and lower capital expenditures. Cash used in financing activities amounted to ₱3,577 million, primarily for lease obligations and dividend payments.

As a result, the Company's current ratio strengthened from 2.84:1.00 to 2.88:1.00.

As at December 31, 2025, the cash and cash equivalents, as well as short-term investments, totaled ₱2,571 million, representing an increase of ₱390 million, or 17.9%, from the balance as at December 31, 2024. The increase was primarily attributable to lower capital expenditures and a reduction in trade receivables, partially offset by higher inventory purchases.

Capital Expenditure

The Company's capital expenditures totaled ₱2,270 million in 2025, 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, 2025	As at December 31, 2024
Sales	35,444,304,895	34,172,031,761
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense[1]	3,214,596,488	3,331,303,888
EBITDA – Adjusted/ Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[2]	4,767,647,314	4,646,848,686
EBIT Margin - Treating Interest on Lease Liability as Rent Expense[3]	9.07%	9.75%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[4]	13.45%	13.60%
	As at December 31, 2025	**As at December 31, 2024**
Return on Equity Ratio[5]	9.86	10.61
Current Ratio[6]	2.88	2.84
Debt to Equity Ratio[7]	0.63	0.64

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, 2025, and December 31, 2024

1. Aggregate cash and short-term investments increased by ₱390 million, or 17.9%, from ₱2,180 million at the close of 2024 to ₱2,571 million as at December 31, 2025. The increase was primarily attributable to favorable working capital movements, including a reduction in trade receivables, partially offset by higher inventory purchases.

2. Trade and other receivables totaled ₱336 million as at December 31, 2025, ₱192 million or 36.4% lower than the ₱528 million balance as at December 31, 2024. The decline was primarily driven by the collection of claims receivable related to a fire incident, amounting to 119 million, as well as collections from trade sales.

3. Advance payments to suppliers for merchandise ordered decreased by ₱157 million or 49.2% from ₱319 million at the close of 2024 to ₱162 million as at December 31, 2025. This decrease was primarily due to the receipt of merchandise inventory from suppliers.

4. Merchandise Inventories increased by ₱691 million or 4.9% from ₱14,249 million at the close of 2024 to ₱14,940 million as at December 31, 2025. The growth was primarily driven by higher inventory purchases during the year.

5. Property and equipment increased by ₱735 million or 6.1% from ₱11,946 million at the close of 2024 to ₱12,681 million as at December 31, 2025. This growth was primarily driven by capital expenditures for store network expansion, partially offset by depreciation recognized year-to-date.

6. Net deferred tax assets increased by ₱80.0 million or 12.4% from ₱644 million at the close of 2024 to ₱724 million as at December 31, 2025, due to the impact of PFRS16 accounting and allowance for inventory obsolescence accounting.

7. The current portion of lease liability decreased by ₱115 million or 12.4% from ₱934 million at the close of 2024 to ₱819 million as at December 31, 2025, due mainly to a higher number of leases approaching their contract end.

8. Income tax payable increased by ₱7 million or 6.0% from ₱118 million at the close of 2024 to ₱125 million as at December 31, 2025, mainly due to year-to-date income taxes.

Income Statement Items

1. Interest expense increased by ₱48 million or 7.1%, to a total of ₱715 million for the period from the prior year's ₱667 million, primarily due to additional 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. Other income (charges) for the year ended 2025 amounted to ₱424 million, a decrease of ₱59 million, or 12.3%, compared to ₱483 million in the prior year. The decline was primarily attributable to lower supplier rebates, partially offset by higher rental income. On the other hand, non-operating interest income decreased by ₱4 million.

3. The Company’s income tax expense decreased by ₱38 million or 4.6% to end at ₱801 million for the year 2025 from the ₱839 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, 2025, compared with the quarter ended December 31, 2024

The Company recorded a net income of ₱580 million for the fourth quarter of 2025, an increase of ₱169 million, or 41.3%, compared to the ₱411 million reported in the same period in 2024. Net margins for the quarter were 6.4% and 4.8%, respectively. The growth was primarily driven by higher gross profit, partially offset by higher operating expenses and a decrease in other income.

Net Sales

The Company recorded net sales of ₱9,107 million for the three months ended December 31, 2025, representing an increase of ₱616 million, or 7.3%, from ₱8,491 million in the same period in 2024. The growth was driven by a 3.3% contribution from new stores and a 3.8% increase in comparable (same-store) sales.

Sales from the depot-format stores accounted for the majority of total net sales, amounting to ₱8,766 million, or 96.3%, for the fourth quarter of 2025. This represents an increase of ₱586 million, or 7.2%, compared to ₱8,180 million in the fourth quarter of 2024. The growth was driven by a 3.8% increase in comparable (same-store) sales and a 3.2% contribution from new depots.

The smaller format, DIW, recorded net sales of ₱294 million, accounting for 3.2% of total net sales. It reported an increase of ₱36 million, or 13.8%, during the fourth quarter of 2025 compared to the same period of ₱258 million in the previous year. This growth was primarily driven by the contribution of new Do-It-Wilcon branches.

The remaining 0.5% of net sales was attributed to project sales, or sales to major institutional accounts, amounting to ₱48 million. This represents a decrease of ₱6 million, or 11.0%, compared to the same period in the prior year, when sales totaled ₱53 million.

During the fourth quarter, the Company opened two (2) new locations in Bacnotan, La Union, and within the Subic Bay Metropolitan Authority. During the same period, the DIW – Southpark branch was closed. As a result, the Company ended the quarter with a total of 104 stores.

Gross Profit

Gross profit increased by ₱384 million or 11.9% year-on-year to total ₱3,601 million for the quarter, with a gross profit margin rate of 39.5%. The improvement in gross profit was primarily driven by higher sales and an expansion in gross profit margin of 160 basis points compared to the same period last year.

Operating Expenses

Operating expenses for the fourth quarter of 2025 increased to ₱2,737 million, up by ₱84 million or 3.2% from ₱2,653 million in the same period in 2024. The increase was primarily driven by higher business volume and expansion-related expenses, particularly depreciation and amortization, repairs and maintenance, outsourced services and trucking, partially offset by reductions in supplies, salaries, wages, and employee benefits, rent, and advertising expenses.

Interest Expense

Interest expense during the fourth quarter of 2025 amounted to ₱177 million, higher by ₱9 million or 5.6% from the ₱168 million generated in 2024. The increase 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) for the fourth quarter of 2025 amounted to ₱82 million, a decrease of ₱65 million or 44.3% from the ₱147 million in the same period of 2024. This decline was primarily attributable to income recognized from fire insurance claims in 2024. Non-operating interest income, meanwhile, increased by ₱1 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 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, 2025, totaled ₱1,163 million, or 12.8% of net sales, higher by ₱314 million or 37.0% from the 2024 balance of ₱849 million, or 10.0% of net sales.

2) EBIT for the fourth quarter of 2025 is ₱756 million or 8.3% of net sales, higher by ₱224 million or 42.1% from the prior year's same period level of ₱532 million or 6.3% of net sales.

Income Tax Expense (Benefit)

The Company's income tax expense increased by ₱56 million or 42.1% to end at ₱189 million in the last quarter of 2025, versus ₱133 million incurred during 2024.

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

Income Statement for the quarter ended December 31, 2025, compared with the quarter ended December 31, 2024

1. Other income (charges) for the fourth quarter of 2025 amounted to ₱82 million, lower by ₱65 million or 44.3% from the ₱147 million generated in 2024. This decline was primarily attributable to income recognized from the fire insurance claims in 2024.

2. The Company's income tax expense increased by ₱56 million or 42.1% to end at ₱189 million for the fourth quarter of 2025 from the ₱133 million incurred during the same period last year. The increase is due mainly to higher 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 2025.

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 a material effect on the financial statements.

There is no seasonal aspect that has a 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, 2025.

> 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 aspects.

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 systems 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 2025, 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**
March 20, 2025	April 16, 2025	May 8, 2025	PhP0.36 regular PhP0.15 special **PhP0.36 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., ("RT&Co.") for the audit of the financial statements of the Company and other services in connection with the statutory and regulatory filings for 2025 is ₱2,800,000.

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 2025.

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 2025:

Name	Age	Nationality	Position
William T. Belo	80	Filipino	Chairman Emeritus
Ricardo S. Pascua	77	Filipino	Chairman
Lorraine Belo-Cincochan	46	Filipino	Director, President and Chief Executive Officer
Mark Andrew Y. Belo	43	Filipino	Director and EVP - Treasurer
Careen Y. Belo	42	Filipino	Director, EVP - Chief Product Officer, CIO and CRO
Evelyn R. Singson	81	Filipino	Independent Director
Rolando S. Narciso	79	Filipino	Independent Director
Delfin L. Warren	75	Filipino	Independent Director
Arthur R. Ponsaran	82	Filipino	Corporate Secretary
Sheila Pasicolan-Camerino	39	Filipino	Asst. Corporate Secretary and Compliance Officer
Rosemarie B. Ong	67	Filipino	Senior Executive Vice President – Chief Operating Officer
Eden M. Godino	49	Filipino	SVP - Product Development
Grace A. Tiong	52	Filipino	SVP - Human Resources
Michael D. Tiong	52	Filipino	Vice President – Global Sourcing
Mary Jean G. Alger	55	Filipino	Vice President – Investor Relations
Lauro D.G Francisco	60	Filipino	Chief Audit Executive
Keith S. Chan	64	Filipino	Vice President – Information Technology
Jea S. Reyes	56	Filipino	Vice President – Finance

Alen E. Alban	48	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.

Ricardo S. Pascua has been an Independent Director of the Company since September 2016. He is now the Chairman of the Company elected on June 16, 2025. 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.

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.

Rolando S. Narciso has been 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, has been 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 R. Singson is an independent director of the Company, elected on June 16, 2025. 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.

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 baccalaureate 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 is 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 to 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 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 served as its Chairman and President in 2025.

Keith S. Chan is the Vice President for IT. He is a member of the Council for the Business Continuity Mangers Association of the Philippines (BCMAP). He is past president for BCMAP 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 under the Funds Management Department in 1982 and held finance position in Seaoil Petroleum Corporation in 1997. Mr. Chan is a recipient of the CIO100 Asia, Hongkong and Wider Region Awards for 2022, 2023 and 2024 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 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 2025 Board Meetings

Board	Name	Date of Election	No. of Meetings Held During the Year 2025	No. of Meetings Attended	%
Chairman *(Retired: June 17, 2025)*	Bertram B. Lim	22-May-17	6	6	100%
Independent Director	Rolando S. Narciso	13-Sep-16	10	10	100%
Independent Director	Ricardo S. Pascua	13-Sep-16	10	10	100%
Independent Director	Delfin L. Warren	22-May-17	10	10	100%
Independent Director	Evelyn R. Singson	17-Jun-25	5	5	100%
President-CEO	Lorraine Belo - Cincochan	30-Mar-16	10	10	100%
Member	Mark Andrew Y. Belo	30-Mar-16	10	10	100%
Member	Careen Y. Belo	30-Mar-16	10	9	90%

Directors' Compensation

All directors attending physically in a board meeting receive a per diem of Forty Thousand Pesos (₱40,000.00) per meeting.

Total compensation received by the members of the Board in 2025 amounted to ₱3.3M.

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, 2025, 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.

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 2025 and projected for the year 2026:

Actual

Key Management Officers	Year	Compensation	Bonuses
Top 5 Officers	2025	₱54.5M	₱3.9M
Other officers as a group	2025	₱114.3M	₱7.8M

Projected for 2026

Key Management Officers	Year	Compensation	Bonuses
Top 5 Officers	2026	₱56.8M	₱54.2M
Other officers as a group	2026	₱120.8M	₱8.6M

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	Lorraine Belo-Cincochan 90 E. Rodriguez, Jr. Avenue, Ugong Norte, Quezon City Director	Lorraine Belo-Cincochan	Filipino	5,100,000	0.12%
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 Sineguelas St., Valle Verde 1, Pasig City Independent Director	Delfin L. Warren	Filipino	1	0.00%
Common	Evelyn R. Singson 17 Joya St. Corinthian Gardens, Quezon City	Evelyn R. Singson	Filipino	33,000	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 VP – IT	Keith S. Chan	Filipino	3,000	0.00%
Common	Wilcon Corporation	Wilcon Corporation	Filipino	2,718,117,916	66.30%

Bertram B. Lim, who owns 1 share, has already retired as chairman and independent director on June16, 2025 while Jose Ruel Godino, VP – Merchandising of the Company and owns 69,400 shares is no longer connected with the Company effective November 11, 2025.

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, 2025:

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	2,718,117,916	66.30%

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, 2025.

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(Direct)	Filipino	0.12%
Common	Lorraine Belo-Cincochan	5,100,000 (Direct)	Filipino	0.12%
Common	Mark Andrew Y. Belo	5,100,000(Direct)	Filipino	0.12%
Common	Careen Y. Belo	5,100,000(Direct)	Filipino	0.12%
Common	Rosemarie B. Ong	1,369,401(Direct)	Filipino	0.03%
Common	Rolando S. Narciso	1(Direct)	Filipino	0.00%
Common	Ricardo S. Pascua	1(Direct)	Filipino	0.00%
Common	Delfin L.Warren	1(Direct)	Filipino	0.00%
Common	Evelyn R. Singson	33,000 (Direct)	Filipino	0.00%
Common	Arthur R. Ponsaran	10,000 (Indirect)	Filipino	0.00%
Common	Sheila P. Pasicolan-Camerino	19,900 (Direct)	Filipino	0.00%
Common	Grace A. Tiong	148,700 (Direct)	Filipino	0.00%
Common	Michael D. Tiong	148,700 (Direct)	Filipino	0.00%
Common	Eden M. Godino	267,500 (Direct)	Filipino	0.00%
Common	Keith S. Chan	3,000 (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	22,400,199 (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, 2025.

Change in Control

There are no arrangements which may result in a change in control of the Company as of December 31, 2025.

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 recognizes the importance of establishing strong corporate governance in achieving its corporate goals and ensuring compliance with leading governance practices. Accordingly, the Company revised its Corporate Governance Manual, which was approved by the Board on May 22, 2017.

The Manual defines the framework of rules, systems, and processes that govern the performance of the Board and Management. It establishes the structure through which the Company implements its corporate governance. It also serves as a reference for all members of the Board and Management in the performance of their duties and responsibilities.

The Board, Management, employees, and shareholders believe that good governance is an essential component of sound strategic business management. As such, they are committed to making every effort to promote awareness of corporate governance within the organization.

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

Further, on June 16, 2025, the members of the Board and the Company's officers attended a corporate governance seminar via Zoom conducted by the Good Governance Advocates and Practitioners of the Philippines. This four-hour annual training covered the following topics:

1. Duties, Responsibilities, and Liabilities of a Director
2. Board Best Practices Updates
3. Corporate Governance Cases and Current Trends

The Company will submit its Integrated Annual Corporate Governance Report (I-ACGR) for the year ended December 31, 2025, on or before May 30, 2026, 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, 2025	Notice of Annual Meeting of the Stockholders of the Corporation to be held on 16 June 2025
June 16, 2025	Results of Annual Stockholders' Meeting held on 16 June 2025
June 16, 2025	Results of Organizational Meeting of the Board held on 16 June 2025

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 25, 2026.

By:

Ricardo S. Pascua
Chairman

Lorraine Belo-Cincochan
President-CEO

Mark Andrew Y. Belo
Treasurer

Atty. Arthur R. Ponsaran
Corporate Secretary

Atty. Sheila Pasicolan - Camerino
Compliance Officer

SUBSCRIBED AND SWORN to before me this 25 MAR 2026 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		
Ricardo S. Pascua			
Lorraine Belo-Cincochan			
Mark Andrew Y. Belo			
Arthur R. Ponsaran			
Sheila Pasicolan – Camerino			

Doc No. 445;
Page No. 90;
Book No. XLI;
Series of 2026.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528D/01-05-2026/Q.C.
IBP NO. INV 562041/12-01-2025/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

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

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

NO. 90 E. RODRIGUEZ JR. AVENUE, UGONG
NORTE, QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
wilcon2@wilcon.com.ph	(02) 8 634-8387	09190771878

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
171	June 16	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Sheila Pasicolan - Camerino	compliance_wdi@wilcon.com.ph	(02) 8 634 - 8387	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.*

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

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, 2025. 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, 2025 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: _____
Ricardo S. Pascua
Chairman

Signature: _____
Lorraine Belo-Cincochan
President-CEO

Signature: _____
Mark Andrew Y. Belo
Treasurer

Signed this 25th day of March 2026

WILCON

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Website: www.wilcon.com.ph

SUBSCRIBED AND SWORN to before me this 25 MAR 2026 day of _____ 20__ affiant(s) exhibiting to me their Passport, as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Ricardo S. Pascua			
Lorraine Belo-Cincochan			
Mark Andrew Y. Belo			

Doc. No. 188;
Page No. 20;
Book No. IX;
Series of 2026;

Atty. Richard [illegible] M. Baldueza
Notary Public for Quezon City
PRV Mitra Bldg., House of Representatives
Batasan Hills, Quezon City
(NP-080 / 2026-2027)
Until December 31, 2027
Roll No. 53953
PTR No. 5052411 / 02/03/2026 / Plaridel Bulacan
MCLE Compliance No. VIII - 26723/04-10-2025
IBP Lifetime No. 7203 (01-17-08)

Subject: Your BIR AFS eSubmission uploads were received
From: eafs@bir.gov.ph
Date: 04/01/2026, 11:01 AM
To:
CC:

Hi WILCON DEPOT, INC.,

Valid files

- EAFS009192878ITRTY122025.pdf
- EAFS009192878AFSTY122025.pdf
- EAFS009192878RPTTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-Q1Q41XSS03R1QVMMXQVXW21PW0AJ9F9HKG**
Submission Date/Time: **Apr 01, 2026 11:01 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.

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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, 2025, 2024 and 2023, 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 _____
Ricardo S. Pascua
Chairman

Signature _____
Lorraine Belo-Cincochan
President-CEO

Signature _____
Mark Andrew Y. Belo
Treasurer

Signed this 25th day of March 2026

WILCON

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NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
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Page No. 20 ;
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Series of 2026 ;

Atty. Richard Le[illegible] Baldueza
Notary Public for Quezon City
[illegible] RV Mitra Bldg., House of Representatives
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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, 2025, 2024 and 2023, 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: _____
Ricardo S. Pascua
Chairman

Signature: _____
Lorraine Belo-Cincochan
President/ Chief Executive Officer

Signature: _____
Mark Andrew Y. Belo
Treasurer

Signed this 25th day of March 2026

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REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Accreditation No. 4782 SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

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.
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, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, on which we have rendered our report dated March 25, 2026.

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
SEC Accreditation No. 86981-SEC Group A
Issued March 24, 2020
Valid for Financial Periods 2023 to 2025
BIR Accreditation No. 08-005144-007-2025
Valid until August 10, 2028
PTR No. 10764005
Issued January 2, 2026, Makati City

March 25, 2026
Makati City, Metro Manila

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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April 14, 2024, valid until June 6, 2026
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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
WILCON DEPOT, INC.
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, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2025, 2024 and 2023, 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, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025, 2024 and 2023, 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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of financial statements of public interest entities in the Philippines. We have also 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.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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 ₱35,444.3 million in 2025. We considered revenue recognition from sale of goods as a key audit matter because of its significant volume and impact on 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, an examination of both IT and key manual controls related to revenue to ensure effectiveness and reliability in capturing revenue transactions. We performed substantive analytical review procedures on gross sales, and sales discounts and returns, which involved analyzing trends, and compared the results 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 ₱14,939.9 million as at December 31, 2025. We determined this to be a key audit matter because it represents 37% of the total assets. Additionally, the Company has thousands of stock keeping units (SKU) and maintains an inventory management system to establish the completeness, existence and proper valuation of the SKU.

Our procedures included, among others, the examination of the design and implementation of both IT and key manual controls related to the 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*.

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, 2025, 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, 2025 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.

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 auditors' 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
SEC Accreditation No. 86981-SEC Group A
Issued March 24, 2020
Valid for Financial Periods 2023 to 2025
BIR Accreditation No. 08-005144-007-2025
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March 25, 2026
Makati City, Metro Manila

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 FINANCIAL POSITION

		December 31	
	Note	**2025**	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱1,170,708,527**	₱1,080,478,502
Short-term investments	5	**1,400,000,000**	1,100,000,000
Trade and other receivables	6	**335,458,857**	527,645,451
Advance payments to suppliers	6	**162,182,873**	319,254,911
Merchandise inventories	7	**14,939,929,659**	14,248,773,904
Other current assets	8	**795,559,000**	835,223,988
Total Current Assets		**18,803,838,916**	18,111,376,756
Noncurrent Assets			
Property and equipment	9	**12,680,830,760**	11,946,172,877
Right-of-use (ROU) assets	10	**7,834,422,140**	7,863,541,026
Net deferred tax assets	17	**723,636,736**	644,029,113
Other noncurrent assets	11	**490,957,232**	500,897,077
Total Noncurrent Assets		**21,729,846,868**	20,954,640,093
		₱40,533,685,784	₱39,066,016,849
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	**₱5,590,556,860**	₱5,333,465,189
Income tax payable		**125,131,843**	118,083,373
Current portion of lease liabilities	10	**818,691,182**	934,165,779
Total Current Liabilities		**6,534,379,885**	6,385,714,341
Noncurrent Liabilities			
Lease liabilities - net of current portion	10	**8,981,607,410**	8,630,255,748
Net retirement liability	13	**206,975,939**	209,175,162
Total Noncurrent Liabilities		**9,188,583,349**	8,839,430,910
Total Liabilities		**15,722,963,234**	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	13	**46,064,397**	46,064,397
Retained earnings	14	**15,291,195,610**	14,321,344,658
Total Equity		**24,810,722,550**	23,840,871,598
		₱40,533,685,784	₱39,066,016,849

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 COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2025**	2024	2023
NET SALES		**₱35,444,304,895**	₱34,172,031,761	₱34,603,965,512
COST OF SALES	7	**(21,767,772,917)**	(20,823,007,385)	(20,910,043,722)
GROSS INCOME		**13,676,531,978**	13,349,024,376	13,693,921,790
OPERATING EXPENSES	15	**(10,139,115,852)**	(9,797,521,465)	(8,940,010,592)
INTEREST EXPENSE	10	**(714,573,416)**	(666,958,822)	(640,615,340)
OTHER INCOME - Net	16	**423,708,823**	482,942,270	526,170,313
INCOME BEFORE INCOME TAX		**3,246,551,533**	3,367,486,359	4,639,466,171
INCOME TAX EXPENSE (BENEFIT)	17			
Current		**880,407,522**	856,182,687	1,242,608,754
Deferred		**(79,607,623)**	(17,127,810)	(86,338,182)
		800,799,899	839,054,877	1,156,270,572
NET INCOME		**2,445,751,634**	2,528,431,482	3,483,195,599
OTHER COMPREHENSIVE LOSS				
Item not to be reclassified to profit or loss -				
Remeasurement loss on retirement liability, net of deferred income tax	13	**–**	(131,114,488)	–
TOTAL COMPREHENSIVE INCOME		**₱2,445,751,634**	₱2,397,316,994	₱3,483,195,599
BASIC AND DILUTIVE EARNINGS PER SHARE	19	**₱0.60**	₱0.62	₱0.85

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

		Years Ended December 31		
	Note	**2025**	2024	2023
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		**46,064,397**	177,178,885	177,178,885
Remeasurement loss, net of deferred income tax		**–**	(131,114,488)	–
Balance at end of year		**46,064,397**	46,064,397	177,178,885
RETAINED EARNINGS				
Unappropriated				
Balance at beginning of year		**8,321,344,658**	10,758,841,446	10,892,543,770
Net income		**2,445,751,634**	2,528,431,482	3,483,195,599
Cash dividends	14	**(1,475,900,682)**	(1,065,928,270)	(1,516,897,923)
Appropriation	14	**–**	(6,000,000,000)	(2,100,000,000)
Reversal of appropriation	14	**–**	2,100,000,000	–
Balance at end of year		**9,291,195,610**	8,321,344,658	10,758,841,446
Appropriated	14			
Balance at beginning of year		**6,000,000,000**	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**	6,000,000,000	2,100,000,000
		15,291,195,610	14,321,344,658	12,858,841,446
		₱24,810,722,550	₱23,840,871,598	₱22,509,482,874

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 CASH FLOWS

		Years Ended December 31		
	Note	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱3,246,551,533**	₱3,367,486,359	₱4,639,466,171
Adjustments for:				
Depreciation and amortization	9	**3,232,771,123**	2,893,699,645	2,755,497,757
Interest expense	10	**714,573,416**	666,958,822	640,615,340
Provision for:				
Allowance for expected credit loss on receivables	6	**74,831,581**	63,399,925	16,442,898
Inventory write-down and losses	7	**62,478,332**	–	–
Reversal of:				
Allowance for expected credit loss on receivables	6	**(77,400,220)**	(53,288,643)	(21,799,342)
Inventory write-down and losses	7	**–**	(9,797,597)	(66,375,077)
Retirement benefits	13	**56,574,724**	31,710,298	29,764,566
Interest income	4	**(31,955,044)**	(36,182,471)	(14,383,915)
Insurance claim income	16	**(24,959,458)**	(118,809,899)	–
Losses due to calamity:				
Merchandise inventories	7	**7,500,500**	152,750,559	–
Property and equipment	9	**–**	20,562,592	–
Gain on disposal of property and equipment	16	**(343,749)**	(1,410,714)	(832,862)
Operating income before working capital changes		**7,260,622,738**	6,977,078,876	7,978,395,536
Decrease (increase) in:				
Merchandise inventories		**(761,134,587)**	1,385,021,876	(2,467,516,391)
Trade and other receivables		**223,186,886**	76,262	(125,401,370)
Advance payments to suppliers		**157,072,038**	27,234,579	97,697,193
Other current assets		**39,664,988**	432,982,847	(532,071,635)
Increase (decrease) in trade and other payables		**257,091,671**	(1,754,752,947)	1,325,189,607
Net cash generated from operations		**7,176,503,734**	7,067,641,493	6,276,292,940
Income tax paid		**(873,359,052)**	(914,042,099)	(1,229,363,917)
Contributions to retirement plan	13	**(58,773,947)**	(54,669,586)	(54,669,587)
Interest received from cash and cash equivalents		**5,931,738**	21,300,361	879,528
Net cash provided by operating activities		**6,250,302,473**	6,120,230,169	4,993,138,964
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property and equipment	9	**(2,243,605,136)**	(2,757,338,074)	(2,317,576,471)
Short-term investments		**(300,000,000)**	(1,100,000,000)	–
Computer software	11	**(26,589,160)**	(29,460,245)	(41,505,989)
Other noncurrent assets		**(7,574,568)**	(25,955,538)	(38,126,642)
Interest received from investments		**22,551,111**	10,232,777	18,406,986
Net proceeds from disposal of property and equipment		**343,749**	1,410,714	1,157,137
Maturity of short-term investments		**–**	–	750,500,000
Net cash used in investing activities		**(2,554,874,004)**	(3,901,110,366)	(1,627,144,979)

(Forward)

	Note	Years Ended December 31		
		2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Lease liabilities	10	**(₱2,129,297,762)**	(₱1,937,873,106)	(₱1,765,274,468)
Cash dividends	14	**(1,475,900,682)**	(1,065,928,270)	(1,516,897,923)
Cash used in financing activities		**(3,605,198,444)**	(3,003,801,376)	(3,282,172,391)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**90,230,025**	(784,681,573)	83,821,594
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**1,080,478,502**	1,865,160,075	1,781,338,481
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**₱1,170,708,527**	₱1,080,478,502	₱1,865,160,075

See accompanying Notes to Financial Statements.

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Doing Business under the Name and Style of WILCON CITY CENTER)

NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025 AND 2024 AND
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023

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 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, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issue by the Board of Directors (BOD) on March 25, 2026, 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 which 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 Amendments to PFRS Accounting Standards
The material 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, 2025. The amendments did not materially affect the financial statements of the Company.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

- Annual Improvements to PFRS Accounting Standards Volume 11:

    - Amendments to PFRS 9, *Financial Instruments* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments,* 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 apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

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

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

Under prevailing circumstances, the adoption of PFRS 18 is not expected to have a material impact on the Company's financial position or financial performance. However, it will result in changes in the presentation, classification, and aggregation of items in the statements of comprehensive income and related disclosures. 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 advances from customers, statutory payables, and other payables) 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.

Value Added Tax (VAT)
Revenue, expenses and assets are 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 receivable and payable that are stated with the amount of VAT included.

The amount of VAT recoverable from the tax authority is included as part of "Statutory payables" account under "Trade and other payables" account in the statement of financial position.

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 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.

Deferred Input VAT. Deferred input VAT pertains to the unamortized input VAT on the unpaid portion of availed services prior to the implementation of the Ease of Paying Taxes (EOPT) Act.

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 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

At each reporting date, the Company assesses whether there is any indication that its nonfinancial assets, including property and equipment and right-of-use assets, may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is determined based on the present value of estimated future cash flows expected to be derived from the asset or cash-generating unit (CGU).

Where the carrying amount of an asset or CGU exceeds its recoverable amount, an impairment loss is recognized in profit or loss. Impairment losses are recognized in the period in which they arise.

An assessment is also made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Assets are derecognized upon disposal or when no future economic benefits are expected from their use. Losses arising from events such as fire, typhoon, or other casualty events are recognized in profit or loss when incurred.

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 redeemed award credits 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 part of "Other Payables" 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:

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

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

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 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 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 remeasures the lease liability when there is a change in lease term, including the exercise of extension or termination options, or when there are changes in future lease payments resulting from changes in an index or rate. Any such remeasurement is recognized as an adjustment to the carrying amount of the related ROU asset.

The Company derecognizes the lease liability when the obligation specified in the lease contract is discharged, cancelled, expired, or otherwise terminated, including as a result of lease modifications or early termination. The corresponding ROU asset is derecognized upon termination or expiration of the lease. Any difference between the carrying amounts of the lease liability and the ROU asset at the date of derecognition is recognized in profit or loss.

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. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are reviewed at each reporting date and adjusted as necessary.

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 judgments, 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 used in managing its financial assets to achieve its business objectives. In making this assessment, the Company considers factors such as its objective to hold financial assets to collect contractual cash flows, the policies for managing credit risk, the expected frequency and significance of sales, and the manner in which the performance of financial assets is evaluated.

Based on this assessment, the Company's financial assets are generally managed under a business model whose objective is to collect contractual cash flows.

The Company also assesses whether the contractual terms of its debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, with interest representing the time value of money and credit risk. Financial assets that meet both the business model and SPPI criteria are measured at amortized cost.

Determining the Classification of Lease Arrangements and the 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 existing lease agreements, except for short-term leases of land and buildings with terms of 12 months or less, are accounted for as operating leases under PFRS 16, *Leases*. For remaining leases, the Company recognized lease liabilities and corresponding ROU assets. Lease payments are allocated between reducing the principal liability and recognizing finance costs. Finance costs are recognized in profit or loss using the effective interest method. ROU assets are amortized on a straight-line basis over the lease term.

The leases on land, buildings, and retail and office units are renewable upon mutual agreement by both parties 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 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 applies judgment in estimating ECL on its trade and other receivables. Trade receivables are measured using the simplified approach, which requires the recognition of lifetime ECL, while other receivables are measured using the general approach based on 12-month ECL, unless there has been a significant increase in credit risk.

The Company uses a provision matrix for trade receivables that is based on historical credit loss experience, adjusted for forward-looking information, including current and expected economic conditions. In determining the allowance for ECL, management considers factors such as customer payment behavior, aging profile, and external economic indicators.

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 (excluding advances to officers and employees) as at December 31, 2025 and 2024 is adequate to cover for possible losses.

The carrying amount of trade and other receivables (excluding advances to officers and employees) and allowance for ECL are disclosed in Note 6 to the financial statements.

Assessing the Impairment Losses on Other Financial Assets at Amortized Cost. The Company applies judgment in assessing ECL on other financial assets at amortized cost. These assets are generally measured using the general approach based on 12-month ECL, unless there has been a significant increase in credit risk.

In estimating ECL, the Company uses historical credit loss experience, adjusted for forward-looking information, including current and expected economic conditions. While the Company has no history of significant credit losses on these financial assets, management considers this together with other relevant factors in assessing the expected credit losses.

No provision for impairment losses on other financial assets at amortized cost were recognized in 2025, 2024 and 2023.

The carrying amounts of other financial assets are disclosed in Notes 4, 5, 8, 11 and 18 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 the reporting date to the extent that such events confirm conditions existing at the 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 provision for (reversal of) 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, 2025 and 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 2025, 2024 and 2023.

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:

	2025	2024
Cash on hand	**₱12,800,858**	₱15,983,707
Cash in banks	**1,157,907,669**	914,494,795
Cash equivalents	**–**	150,000,000
	₱1,170,708,527	₱1,080,478,502

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents represent money market placements with interest rate of 4% as of December 31, 2024, and no cash equivalents were held as of December 31, 2025.

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

	Note	2025	2024	2023
Cash in banks and cash equivalents		**₱5,865,072**	₱21,367,027	₱2,724,528
Short-term investments	5	**26,089,972**	14,815,444	11,659,387
		₱31,955,044	₱36,182,471	₱14,383,915

5. Short-term Investments

Short-term investments amounting to ₱1,400.0 million and ₱1,100.0 million as at December 31, 2025 and 2024, respectively, represent money market placements with terms of more than three (3) months to less than one (1) year, which bears interest at 5.4% to 5.5% and 6.0% in 2025 and 2024, respectively.

Interest income from these investments amounted to ₱26.1 million, ₱14.8 million and ₱11.7 million in 2025, 2024 and 2023, 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	2025	2024
Trade:			
Third parties		**₱319,583,751**	₱408,899,943
Related parties	18	**1,331,202**	2,965,102
Insurance claim receivable		**24,959,458**	118,809,899
Advances to officers and employees		**22,387,745**	30,965,188
Rent receivables	10	**19,110,219**	15,901,886
Others		**14,329,647**	18,915,237
		401,702,022	596,457,255
Allowance for ECL		**(66,243,165)**	(68,811,804)
		₱335,458,857	₱527,645,451

Trade receivables are unsecured, noninterest-bearing and have credit terms of 30 to 60 days.

The Company incurred inventory-related losses totaling ₱52.5 million resulting from multiple natural calamities in 2025: October 10, 2025 earthquake in Butuan, Agusan del Norte and Tagum Davao del Norte and November 3, 2025 typhoon in Mandaue, Cebu. A partial insurance settlement of ₱25.0 million has been offered, pending final adjustment, with the full disbursement anticipated in Q2 2026 (see Note 16).

On April 24, 2024, the Company's Baliwag, Bulacan branch sustained significant damage due to a fire incident. The Company recognized total losses of ₱173.3 million, mainly relating to merchandise inventory, materials and supplies, and property and equipment. On December 27, 2024, the Company received an insurance settlement offer amounting to ₱118.8 million, which was collected in full during the first quarter of 2025. Accordingly, the Company recognized a net casualty loss of ₱54.5 million from the incident.

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 ₱0.9 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 ₱0.6 million and ₱0.3 million in 2025 and 2024, respectively (see Note 18).

Movements of allowance for ECL on receivables are as follows:

	2025	2024	2023
Balance at beginning of year	**₱68,811,804**	₱58,700,522	₱64,056,966
Provision	**74,831,581**	63,399,925	16,442,898
Reversal	**(77,400,220)**	(53,288,643)	(21,799,342)
Balance at end of year	**₱66,243,165**	₱68,811,804	₱58,700,522

Based on management assessment, the allowance for ECL on receivables as at December 31, 2025 and 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 ₱162.2 million and ₱319.3 million as at December 31, 2025 and 2024. 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:

	2025	2024
At cost	**₱14,895,843,021**	₱14,199,980,103
At NRV	**44,086,638**	48,793,801
	₱14,939,929,659	₱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 ₱3,965.4 million and ₱234.8 million as at December 31, 2025 and 2024, respectively.

Movements of allowance for inventory write-down and losses are as follows:

	2025	2024	2023
Beginning of year	**₱186,007,179**	₱195,804,776	₱262,179,853
Provision	**62,478,332**	–	–
Reversal	**–**	(9,797,597)	(66,375,077)
Balance at end of year	**₱248,485,511**	₱186,007,179	₱195,804,776

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 ₱21,767.8 million, ₱20,823.0 million and ₱20,910.0 million in 2025, 2024 and 2023, respectively, including any reversal of allowance and provision for inventory write-down and losses.

In 2025, the Company directly written-off ₱7.5 million and recognized an allowance for inventory write-down amounting to ₱45.0 million, resulting in total inventory losses of ₱52.5 million arising from extensive damage caused by multiple natural calamities (see Note 6).

In 2024, the Company has directly written-off ₱152.8 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:

	2025	2024
Materials and supplies	**₱557,184,347**	₱556,278,233
Prepaid expenses	**228,265,643**	203,536,249
Container deposits	**8,126,681**	8,102,181
Current deferred input VAT	**1,982,329**	5,645,265
Input VAT	**–**	61,662,060
	₱795,559,000	₱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 December 31, 2025 and 2024 (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 the unamortized portion of input VAT on property and equipment, and unapplied input tax from 10% retention in construction projects.

9. **Property and Equipment**

Details and movements of this account are as follows:

	2025					
	Buildings and Improvements	**Furniture and Equipment**	**Leasehold Improvements**	**Transportation Equipment**	**Construction in Progress**	**Total**
Cost						
Balances at beginning of year	**₱12,070,575,944**	**₱3,423,777,327**	**₱1,636,138,027**	**₱50,997,186**	**₱639,818,399**	**₱17,821,306,883**
Additions	**–**	**427,669,069**	**–**	**5,798,420**	**1,810,137,647**	**2,243,605,136**
Reclassifications	**1,392,728,255**	**–**	**246,605,506**	**–**	**(1,639,333,761)**	**–**
Disposal	**–**	**–**	**–**	**(527,281)**	**–**	**(527,281)**
Balances at end of year	**13,463,304,199**	**3,851,446,396**	**1,882,743,533**	**56,268,325**	**810,622,285**	**20,064,384,738**
Accumulated Depreciation and Amortization						
Balances at beginning of year	**2,583,586,481**	**2,014,349,559**	**1,240,281,497**	**36,916,469**	**–**	**5,875,134,006**
Depreciation and amortization	**856,888,484**	**464,264,541**	**183,070,849**	**4,723,379**	**–**	**1,508,947,253**
Disposal	**–**	**–**	**–**	**(527,281)**	**–**	**(527,281)**
Balances at end of year	**3,440,474,965**	**2,478,614,100**	**1,423,352,346**	**41,112,567**	**–**	**7,383,553,978**
Carrying Amounts	**₱10,022,829,234**	**₱1,372,832,296**	**₱459,391,187**	**₱15,155,758**	**₱810,622,285**	**₱12,680,830,760**

	2024					
	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/write-off	–	(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 2026.

As at December 31, 2025 and 2024, the amount of contractual commitment related to the construction in progress amounted to ₱115.3 million and ₱395.7 million, respectively.

Depreciation and amortization are summarized below (see Note 15):

	Note	**2025**	2024	2023
ROU assets	10	**₱1,679,720,297**	₱1,578,154,847	₱1,472,619,736
Property and equipment		**1,508,947,253**	1,274,835,434	1,245,188,193
Computer software	11	**44,103,573**	40,709,364	37,689,828
		₱3,232,771,123	₱2,893,699,645	₱2,755,497,757

The acquisition costs of fully depreciated and amortized assets still in use amounted to ₱2,560.2 million, ₱2,159.6 million and ₱1,488.5 million in 2025, 2024 and 2023, respectively.

The Company disposed transportation equipment resulting to a gain amounting to ₱0.3 million, ₱1.4 million and ₱0.8 million in 2025, 2024 and 2023, respectively (see Note 16.)

In 2024, the Company has written-off property and equipment with a carrying amount of ₱20.6 million 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, and retail and office units for a period of one (1) to 25 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 5.0%.

Security deposits amounted to ₱206.9 million and ₱198.2 million as at December 31, 2025 and 2024, respectively (see Note 11).

Amounts recognized in profit and loss:

	Note	**2025**	2024	2023
Amortization on ROU assets	9	**₱1,679,720,297**	₱1,578,154,847	₱1,472,619,736
Interest on lease liabilities		**714,573,416**	666,958,822	640,615,340
Rent expense	15	**83,774,428**	108,861,045	172,370,620
		₱2,478,068,141	₱2,353,974,714	₱2,285,605,696

Rent expense in 2025, 2024 and 2023 pertains to lease payments related to short-term leases.

Movements in the ROU assets are presented below:

		2025				
	Note	**Land**	**Land and Buildings**	**Buildings**	**Retail and Office Units**	**Total**
Cost						
Balances at beginning of year		**₱9,164,479,749**	**₱2,951,558,354**	**₱426,566,687**	**₱152,646,392**	**₱12,695,251,182**
Additions		**716,086,142**	**658,589,996**	**275,925,273**	**–**	**1,650,601,411**
Derecognition		**(26,591,488)**	**–**	**(145,485,960)**	**–**	**(172,077,448)**
Balances as at end of year		**9,853,974,403**	**3,610,148,350**	**557,006,000**	**152,646,392**	**14,173,775,145**
Accumulated Amortization						
Balances at beginning of year		**2,456,737,779**	**1,933,690,163**	**338,258,111**	**103,024,103**	**4,831,710,156**
Amortization	9	**671,420,153**	**842,520,615**	**136,006,156**	**29,773,373**	**1,679,720,297**
Derecognition		**(26,591,488)**	**–**	**(145,485,960)**	**–**	**(172,077,448)**
Balances as at end of year		**3,101,566,444**	**2,776,210,778**	**328,778,307**	**132,797,476**	**6,339,353,005**
Carrying Amounts		**₱6,752,407,959**	**₱833,937,572**	**₱228,227,693**	**₱19,848,916**	**₱7,834,422,140**

		2024				
	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 the 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 ₱1,650.6 million, ₱963.2 million and ₱2,046.4 million in 2025, 2024 and 2023, respectively.

Movements in the lease liabilities are presented below:

	2025	2024
Balance at beginning of year	**₱9,564,421,527**	₱9,886,218,745
Additions	**1,618,717,678**	952,326,517
Interest expense	**714,573,416**	666,958,822
Payments	**(2,097,414,029)**	(1,941,082,557)
Balance at end of year	**9,800,298,592**	9,564,421,527
Current portion	**818,691,182**	934,165,779
Noncurrent portion	**₱8,981,607,410**	₱8,630,255,748

As at December 31, 2025 and 2024, the future minimum lease payments are as follows:

	2025	2024
Less than one (1) year	**₱1,385,944,794**	₱1,452,180,659
Between one (1) and five (5) years	**4,903,906,316**	4,573,295,606
More than five (5) years	**8,323,478,897**	8,304,012,548
	₱14,613,330,007	₱14,329,488,813

Advance rentals paid for new leases amounted to ₱31.9 million in 2025 and advance rentals applied amounted to ₱3.2 million in 2024.

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 ₱84.3 million, ₱78.1 million and ₱74.9 million in 2025, 2024 and 2023, respectively (see Note 16). Rent receivables amounted to ₱19.1 million and ₱15.9 million as at December 31, 2025 and 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**	**₱2,333,291,094**	**(₱2,097,414,029)**	**₱9,800,298,592**
Advance rental for new leases	**–**	**31,883,733**	**(31,883,733)**	**–**
Cash dividends	**–**	**1,475,900,682**	**(1,475,900,682)**	**–**
	₱9,564,421,527	**₱3,841,075,509**	**(₱3,605,198,444)**	**₱9,800,298,592**

	2023	Noncash	Cash Receipts (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	2025	2024
Security deposits	10	**₱206,888,063**	₱198,192,368
Computer software		**147,575,431**	165,089,844
Electricity deposits		**88,921,346**	81,827,813
Advances to contractors		**37,067,083**	40,908,668
Noncurrent deferred input VAT		**8,497,629**	14,356,475
Prepaid expenses - noncurrent portion		**2,007,680**	521,909
		₱490,957,232	₱500,897,077

Security deposits include deposits to related parties amounting to ₱150.9 million and ₱143.8 million in 2025 and 2024, respectively (see Note 18).

Movements of computer software are as follows:

	Note	2025	2024
Cost			
Balance at beginning of year		**₱307,600,466**	₱278,140,221
Additions		**26,589,160**	29,460,245
Derecognition		**(16,105)**	–
Balance at end of year		**334,173,521**	307,600,466
Accumulated Amortization			
Balance at beginning of year		**142,510,622**	101,801,258
Amortization	9	**44,103,573**	40,709,364
Derecognition		**(16,105)**	–
Balance at end of year		**186,598,090**	142,510,622
Carrying Amount		**₱147,575,431**	₱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 ₱83.4 million. These pertain 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, 2025 and 2024, the refund of cash bonds is still pending with the BOC. The balance has been fully provided with allowance since 2016.

12. Trade and Other Payables

Details of this account are as follows:

	Note	**2025**	2024
Trade:			
Third parties		**₱4,094,750,586**	₱3,824,297,321
Related parties	18	**126,078**	201,775
Nontrade:			
Third parties		**515,519,803**	619,548,716
Related parties	18	**116,456**	2,294,337
Advances from customers		**423,735,734**	420,251,149
Accrued expenses:			
Salaries and wages		**127,023,459**	138,575,771
Construction costs		**123,694,179**	24,175,490
Utilities		**97,394,164**	85,956,334
Others		**17,529,506**	49,249,433
Statutory payables		**101,390,621**	97,313,723
Others		**89,276,274**	71,601,140
		₱5,590,556,860	₱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 ₱0.8 million as at December 31, 2025 and 2024 (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 expense recognized in profit or loss are as follows:

	2025	2024	2023
Current service cost	**₱43,815,039**	₱27,468,978	₱23,680,274
Interest expense	**39,304,941**	31,173,051	27,995,595
Interest income	**(26,545,256)**	(26,931,731)	(21,911,303)
	₱56,574,724	₱31,710,298	₱29,764,566

The cumulative remeasurement gains recognized in other comprehensive income follows:

	2025		
	Cumulative Remeasurement Gains	**Deferred Tax** (see Note 17)	**Net**
Balances at beginning and end of year	**₱61,419,196**	**₱15,354,799**	**₱46,064,397**

	2024		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 17)	Net
Balances at beginning of year	₱236,238,514	₱59,059,629	₱177,178,885
Remeasurement loss	(174,819,318)	(43,704,830)	(131,114,488)
Balances at end of year	₱61,419,196	₱15,354,799	₱46,064,397

	2023		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 17)	Net
Balances at beginning and 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:

	2025	2024
Present value of defined benefit obligation	**₱720,609,298**	₱644,343,301
Fair value of plan assets	**(513,633,359)**	(435,168,139)
	₱206,975,939	₱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 the latest actuarial valuation date.

The changes in the present value of the defined benefit obligation are as follows:

	2025	2024
Balance at beginning of year	**₱644,343,301**	₱421,257,446
Current service cost	**43,815,039**	27,468,978
Interest expense	**39,304,941**	31,173,051
Benefits paid from plan assets	**(6,853,983)**	(11,197,195)
Remeasurement loss:		
Changes in financial assumptions	**–**	153,218,905
Experience	**–**	22,422,116
Balance at end of year	**₱720,609,298**	₱644,343,301

The changes in the fair value of plan assets are presented below:

	2025	2024
Balance at beginning of year	**₱435,168,139**	₱363,942,314
Contributions to retirement plan	**58,773,947**	54,669,586
Interest income	**26,545,256**	26,931,731
Benefits paid from plan assets	**(6,853,983)**	(11,197,195)
Remeasurement gain	**–**	821,703
Balance at end of year	**₱513,633,359**	₱435,168,139

Details of plan assets are as follows:

	2025	2024
Cash and cash equivalents	**1.1%**	0.7%
Time deposits	**5.2%**	6.3%
Debt instruments	**65.2%**	58.5%
Equity instruments	**21.0%**	23.0%
Others	**7.5%**	11.5%
	100.0%	100.0%

The principal actuarial assumptions used to determine the retirement liability are as follows:

	2025	2024
Discount rate	**6.1%**	6.1%
Annual salary increase rate	**5.0%**	5.0%

Sensitivity analysis on retirement liability 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, 2025 and 2024, the expected future benefits payments are as follows:

One (1) year to five (5) years	₱154,356,755
Six (6) years to 10 years	200,647,049
	₱355,003,804

The weighted average duration of the retirement liability at the end of the reporting period is 15 years.

14. Equity

Details of capital stock as at December 31, 2025 and 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.

On December 13, 2023, the BOD approved the appropriation of retained earnings as at December 31, 2023 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 the ₱2,100.0 million appropriations from 2023 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.

As at December 31, 2025 and 2024, the Company has 4,099,724,116 listed shares.

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 25, 2026	**April 17, 2026**	**May 12, 2026**	**₱0.40**	**₱1,639,889,646**
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

15. Operating Expenses

Details of this account are as follows:

	Note	2025	2024	2023
Depreciation and amortization	9	**₱3,232,771,123**	₱2,893,699,645	₱2,755,497,757
Salaries, wages and employee benefits		**1,774,371,793**	1,688,426,196	1,531,047,694
Outsourced services		**1,510,106,940**	1,401,533,994	1,357,735,672
Trucking services		**944,232,171**	1,070,496,812	921,522,563
Utilities		**919,944,245**	887,617,366	780,352,282
Taxes and licenses		**561,833,776**	602,947,207	417,906,619
Credit card charges		**314,174,057**	283,385,403	274,012,209
Repairs and maintenance		**262,345,747**	197,231,927	202,450,173
Supplies		**160,472,165**	252,725,114	155,829,865
Rent	10	**83,774,428**	108,861,045	172,370,620
Advertising and promotions		**78,369,704**	109,325,086	111,142,725
Sponsorships and events		**52,526,713**	47,186,072	44,087,506
Fuel and oil		**46,506,977**	55,541,969	55,957,391
Communications and postage		**44,602,462**	46,911,361	35,784,846
Transportation and travel		**38,689,904**	45,473,284	37,358,084
Insurance		**34,471,344**	29,808,112	30,871,738
Professional fees		**16,366,377**	14,528,296	17,601,857
Donations and contributions		**7,959,259**	21,428,616	12,733,837
Others		**55,596,667**	40,393,960	25,747,154
		₱10,139,115,852	₱9,797,521,465	₱8,940,010,592

Other expenses include director's fees, net provision for impairment losses on receivables and other operating costs.

16. Other Income - Net

Details of this account are as follows:

	Note	2025	2024	2023
Supplier support and other fees		**₱192,905,552**	₱314,727,815	₱329,165,532
Delivery fees and other customer charges		**140,982,420**	109,254,792	108,199,677
Rent income	10	**84,271,171**	78,054,475	74,949,605
Losses due to calamity	6	**(52,521,945)**	(173,313,151)	–
Interest income	4	**31,955,044**	36,182,471	14,383,915
Insurance claim income	6	**24,959,458**	118,809,899	–
Net realized foreign exchange gain (loss)		**813,374**	(2,184,745)	(1,361,278)
Gain on disposal of property and equipment	9	**343,749**	1,410,714	832,862
		₱423,708,823	₱482,942,270	₱526,170,313

Supplier support and other fees pertains to incentives and other fees received from suppliers.

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 2025, 2024, and 2023 is 25%.

The reconciliation between income tax expense at statutory tax rate and as presented in the statements of comprehensive income is as follows:

	2025	2024	2023
Income tax expense at statutory rate	**₱811,637,883**	₱841,871,590	₱1,159,866,550
Income tax effects of:			
Interest income already subjected to final tax	**(7,988,761)**	(9,045,618)	(3,595,978)
Nontaxable income	**(2,849,223)**	–	–
Nondeductible expenses	**–**	6,228,905	–
Income tax at effective rate	**₱800,799,899**	₱839,054,877	₱1,156,270,572

Net deferred tax assets relate to the tax effect of the temporary differences as follows:

	2025	2024
Deferred tax assets:		
Effects of PFRS Accounting Standards 16	**₱533,792,376**	₱473,857,120
Allowance for inventory write-down and losses	**62,121,378**	46,501,794
Retirement liability	**70,586,074**	70,345,455
Allowance for impairment of refundable cash bonds	**20,852,484**	20,852,482
Allowance for ECL on receivables	**16,560,791**	17,202,950
Deferred credit loyalty points	**19,869,762**	15,262,119
Unrealized foreign exchange loss	**–**	130,481
Deferred tax liability -		
Unrealized foreign exchange gain	**(146,129)**	(123,288)
	₱723,636,736	₱644,029,113

Deferred tax assets are recognized as follows:

	Note	**2025**	2024	2023
Through profit or loss		**₱738,991,535**	₱659,383,912	₱642,256,102
Through other comprehensive income	13	**(15,354,799)**	(15,354,799)	(59,059,629)
		₱723,636,736	₱644,029,113	₱583,196,473

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, Leases and Others from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties
Parent Company	**2025**	**₱3,960,924**	**₱916,850,652**	**₱218,413,519**	**₱23,458**
	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
Entities under Common Control	**2025**	**7,344,186**	**1,265,096,253**	**250,969,256**	**980,224**
	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
Stockholders and Officers	**2025**	**3,333,024**	**44,668,959**	**10,384,168**	**44,932**
	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
	2025	**₱14,638,134**	**₱2,226,615,864**	**₱479,766,943**	**₱1,048,614**
	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

Amounts owed by the related parties are as follows:

	Note	**2025**	2024
Trade and other receivables	6	**₱2,793,316**	₱3,558,816
Security deposit	11	**150,875,459**	143,786,309
Advance rent - short term leases	8	**1,473,053**	1,404,985
Advance rent - long term leases		**324,625,115**	328,092,148
		₱479,766,943	₱476,842,258

No impairment loss was recognized on trade and other receivables, security deposits and advance rent in 2025, 2024 and 2023.

Amounts owed to related parties consist of trade and other payables aggregating ₱1.0 million and ₱3.3 million as at December 31, 2025 and 2024, 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 one (1) to 25 years (see Note 10).

   Interest expense on lease liabilities to related parties amounted to ₱649.8 million, ₱630.4 million and ₱510.9 million in 2025, 2024 and 2023, respectively, while amortization of ROU assets amounted to ₱1,384.3 million, ₱1,470.7 million and ₱1,215.5 million in 2025, 2024 and 2023, respectively.

   Total payments on lease liabilities amounted to ₱1,992.9 million, ₱1,793.7 million and ₱1,763.5 million in 2025, 2024 and 2023, respectively.

   Rent expense from related parties amounted to ₱115.5 million, ₱76.3 million and ₱140.6 million in 2025, 2024 and 2023, 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 ₱0.6 million, ₱0.4 million and ₱42,882 in 2025, 2024 and 2023, respectively.

   Sale of goods to related parties aggregated ₱14.6 million, ₱20.1 million and ₱25.0 million in 2025, 2024 and 2023, 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 ₱76.4 million, ₱144.0 million and ₱64.7 million in 2025, 2024 and 2023, 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 2025, 2024 and 2023.

Compensation of key management personnel by benefit type, are as follows:

	2025	2024	2023
Short-term employee benefits	**₱180,747,262**	₱221,419,968	₱211,446,801
Retirement benefits	**7,531,132**	5,105,414	5,312,480
	₱188,278,394	₱226,525,382	₱216,759,281

19. Earnings per Share

Basic and dilutive earnings per share were computed as follows:

	2025	2024	2023
Net income	**₱2,445,751,634**	₱2,528,431,482	₱3,483,195,599
Divided by the weighted average number of outstanding shares	**4,099,724,116**	4,099,724,116	4,099,724,116
	₱0.60	₱0.62	₱0.85

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 other payables) 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 and liquidity 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:

	2025	2024
Cash in banks and cash equivalents	**₱1,157,907,669**	₱1,064,494,795
Short-term investments	**1,400,000,000**	1,100,000,000
Trade and other receivables*	**379,314,277**	565,492,067
Security deposits	**206,888,063**	198,192,368
Refundable cash bonds	**83,409,934**	83,409,934
Electricity deposits	**88,921,346**	81,827,813
Container deposits	**8,126,681**	8,102,181
	₱3,324,567,970	₱3,101,519,158

**Excluding advances to officers and employees amounting to ₱22.4 million and ₱31.0 million as at December 31, 2025 and 2024, respectively.*

The Company does not have major concentration of credit risk.

The table below summarizes the Company's financial assets based on aging:

	2025					
		Past Due but not Impaired				
	Neither Past Due Nor Impaired	Less than One Year	One Year to Less Than Three Years	Three Years or More	Allowance for ECL	Total
Cash in banks and cash equivalents	**₱1,157,907,669**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,157,907,669**
Short-term investments	**1,400,000,000**	**–**	**–**	**–**	**–**	**1,400,000,000**
Trade and other receivables*	**133,385,849**	**162,588,560**	**47,683,535**	**35,656,333**	**(66,243,165)**	**313,071,112**
Security deposits	**206,888,063**	**–**	**–**	**–**	**–**	**206,888,063**
Electricity deposits	**88,921,346**	**–**	**–**	**–**	**–**	**88,921,346**
Container deposits	**8,126,681**	**–**	**–**	**–**	**–**	**8,126,681**
Refundable cash bonds	**–**	**–**	**–**	**83,409,934**	**(83,409,934)**	**–**
	₱2,995,229,608	**₱162,588,560**	**₱47,683,535**	**₱119,066,267**	**(₱149,653,099)**	**₱3,174,914,871**

**Excluding advances to officers and employees amounting to ₱22.4 million.*

	2024					
		Past Due but not Impaired				
	Neither Past Due Nor Impaired	Less than One Year	One Year to Less Than Three Years	Three Years or More	Allowance for ECL	Total
Cash in banks and cash equivalents	₱1,064,494,795	₱–	₱–	₱–	₱–	₱1,064,494,795
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
Electricity deposits	81,827,813	–	–	–	–	81,827,813
Container deposits	8,102,181	–	–	–	–	8,102,181
Refundable cash bonds	–	–	–	83,409,934	(83,409,934)	–
	₱2,699,779,093	₱217,254,592	₱70,196,987	₱114,288,486	(₱152,221,738)	₱2,949,297,420

**Excluding advances to officers and employees amounting to ₱31.0 million.*

"Past due but not impaired" are accounts with history of frequent defaults, nevertheless, the amounts are still collectible, while "Three years or more" 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 they fall 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.

	2025					
	On Demand	Within Three Months	More than Three Months but Less than One Year	More than One Year but Less than Five Years	Five Years or More	Total
Trade and other payables*	**₱–**	**₱4,489,406,677**	**₱302,492,591**	**₱184,254,963**	**₱–**	**₱4,976,154,231**
Lease liabilities**	**–**	**525,930,383**	**860,014,411**	**4,903,906,316**	**8,323,478,897**	**14,613,330,007**
	₱–	**₱5,015,337,060**	**₱1,162,507,002**	**₱5,088,161,279**	**₱8,323,478,897**	**₱19,589,484,238**

**Excluding statutory payables, advances from customers and other payables amounting to ₱614.4 million.*

***Including future interest payments amounting to ₱4,813.0 million.*

	2024					
	On Demand	Within Three Months	More than Three Months but Less than One Year	More than One Year but Less than Five Years	Five Years or More	Total
Trade and other payables*	₱–	₱4,497,242,962	₱109,062,695	₱137,993,520	₱–	₱4,744,299,177
Lease liabilities**	–	510,874,633	941,306,026	4,573,295,606	8,304,012,548	14,329,488,813
	₱–	₱5,008,117,595	₱1,050,368,721	₱4,711,289,126	₱8,304,012,548	₱19,073,787,990

**Excluding statutory payables, advances from customers and other payables aggregating ₱589.2 million.*
***Including future interest payments amounting to ₱4.765.1 million.*

As at December 31, 2025 and 2024, 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:

	2025	2024
Total debt	**₱15,722,963,234**	₱15,225,145,251
Total equity	**24,810,722,550**	23,840,871,598
Debt-to-equity ratio	**0.63:1**	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 table below presents a comparison by category of carrying amounts and fair values of the financial instruments:

	2025		2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**₱1,170,708,527**	**₱1,170,708,527**	₱1,080,478,502	₱1,080,478,502
Short-term investments	**1,400,000,000**	**1,400,000,000**	1,100,000,000	1,100,000,000
Trade and other receivables*	**313,071,112**	**313,071,112**	496,680,263	496,680,263
Security deposits	**206,888,063**	**153,782,354**	198,192,368	120,962,348
Electricity deposits	**88,921,346**	**88,921,346**	81,827,813	81,827,813
Container deposits	**8,126,681**	**8,126,681**	8,102,181	8,102,181
	₱3,187,715,729	**₱3,134,610,020**	₱2,965,281,127	₱2,888,051,107
Financial Liability				
Trade and other payables**	**₱4,976,154,231**	**₱4,976,154,231**	₱4,744,299,177	₱4,744,299,177

**Excluding advances to officers and employees amounting to ₱22.4 million and ₱31.0 million as at December 31, 2025 and 2024, respectively.*

***Excluding statutory payables, advances from customers and other payables aggregating ₱614.4 million and ₱589.2 million as at December 31, 2025 and, 2024, 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 (excluding advances to officers and employees), container deposits, refundable cash bonds, and trade and other payables (excluding statutory payables, advances from customers and other payables) approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Security Deposits. Fair values of security deposits are based on the present value of the expected future cash flows discounted using market rates ranging from 6.45% to 7.57%. 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 since these are recoverable on demand. 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.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Accreditation No. 4782-SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULE

The Stockholders and the Board of Directors
WILCON DEPOT, INC.
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, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, and have issued our report thereon dated March 25, 2026. 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, 2025
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2025 and 2024
- Schedules Required under Annex 68-J of the Revised Securities Regulation Code (SRC) Rule 68 as at and for the year ended December 31, 2025
- Corporate Structure as at December 31, 2025

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, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and no material exceptions were noted.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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 audits 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
SEC Accreditation No. 86981-SEC Group A
Issued March 24, 2020
Valid for Financial Periods 2023 to 2025
BIR Accreditation No. 08-005144-007-2022
Valid until October 16, 2025
PTR No. 10764005
Issued January 2, 2026, Makati City

March 25, 2026
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, 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
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	(1,475,900,682)
Unappropriated retained earnings, as adjusted	6,186,060,064
Add: Net income for the current year	2,445,751,634
Less: Category F: 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	(79,607,623)
Total retained earnings, end of the reporting period available for dividend	**₱8,552,204,075**

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 Schedules of External Auditor Fee Related Information
DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	**₱2,800,000**	₱2,550,000
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**325,000**	325,000
Total Non-audit Fees	**325,000**	325,000
Total Audit and Non-audit Fees	**₱3,125,000**	₱2,875,000

Audit and Non-audit Fees of Other Related Entities

	2025	2024
Audit Fees	**₱–**	₱–
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Audit and Non-audit Fees of Other Related Entities	**₱–**	₱–

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, 2025

Table of Contents

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, 2025

Amounts in Thousands

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Amounts Collected	Amounts Written Off	Current	Non-current	Balance at End of Year
Officers and employees	₱30,965	₱158,057	(₱166,634)	₱–	₱22,388	₱–	₱22,388

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)

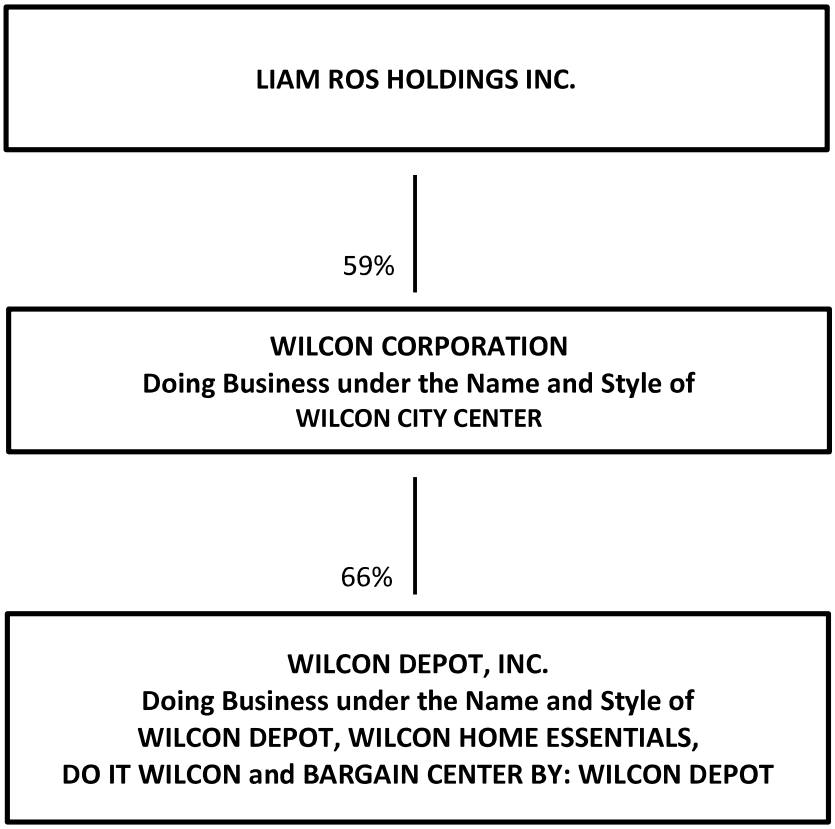
CAPITAL STOCK
DECEMBER 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position	Number of Shares Reserved for Options, Warrants, Conversion, and other Rights	Number of Shares held by Related Parties	Number of Shares held by Directors and Officers	Number of Shares held by Others
Common shares - at ₱1 par value	5,000,000,000	4,099,724,116	–	2,723,217,911	22,469,605	1,354,036,600

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, 2025



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, 2025 AND 2024

	Formula		2025	2024
Liquidity ratio				
Current ratio	Total Current Assets	₱18,803,838,916	**2.88: 1**	2.84: 1
	Divided by: Total Current Liabilities	6,534,379,885		
	Current ratio	2.88		
Acid test ratio	Total Current Assets	₱18,803,838,916	**0.47 : 1**	0.47 : 1
	Less: Merchandise Inventories	14,939,929,659		
	Other Current Assets	795,559,000		
	Quick Assets	3,068,350,257		
	Divided by: Total Current Liabilities	6,534,379,885		
	Acid test ratio	0.47		
Solvency ratio				
Debt to equity ratio	Total Liabilities	₱15,722,963,234	**0.63 : 1**	0.64 : 1
	Divided by: Total Equity	24,810,722,550		
	Debt to equity ratio	0.63		
Asset to equity ratio	Total Assets	₱40,533,685,784	**1.63 : 1**	1.64 : 1
	Divided by: Total Equity	24,810,722,550		
	Asset to equity ratio	1.63		
Profitability ratio				
Return on assets	Net Income	₱2,445,751,634	**6.03%**	6.47%
	Divided by: Total Assets	40,533,685,784		
	Return on assets	6.03%		
Return on equity	Net Income	₱2,445,751,634	**9.86%**	10.61%
	Divided by: Total Equity	24,810,722,550		
	Return on equity	9.86%		
Book value per share	Total Equity	₱24,810,722,550	**₱6.05**	₱5.82
	Divided by: Number of outstanding Shares	4,099,724,116		
		₱6.05		

	Formula		**2025**	2024
Gross income	Gross income	₱13,676,531,978	**38.59%**	39.06%
	Divided by: Net Sales	35,444,304,895		
	Gross income	38.59%		
EBITDA margin	Income before Income Tax	₱3,246,551,533	**20.21%**	20.17%
	Add: Depreciation and Amortization	3,232,771,123		
	Net Interest Expense	682,618,372		
	Earnings Before Interest, Tax, Depreciation, and Amortization	7,161,941,028		
	Divided by: Net Sales	35,444,304,895		
	EBITDA margin	20.21%		
Net income margin	Net Income	₱2,445,751,634	**6.90%**	7.40%
	Divided by: Net Sales	35,444,304,895		
	Net income margin	6.90%		

ANNEX C

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 07 MAY 2026 day of _____ at QUEZON CITY.

ATTY. ARTHUR R. PONSARAN
Affiant

SUBSCRIBED AND SWORN TO before me, this 07 MAY 2026 day of _____, _____ at QUEZON CITY, Affiant exhibited to me his Passport No. _____ issued by _____ on _____ valid until

Doc. No. 320;
Page No. 65;
Book No. LVIII;
Series of 2026.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528D/01-05-2026/Q.C.
IBP NO. INV 562041/12-01-2025/Q.C.
ROLL NO. 28435
MCLE NO. VII-0008500 / 05-07-2024
Add: 473 Bon. Serrano Road, Barangay San Roque, Marpity, Quezon City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EVELYN R. SINGSON**, of legal age, Filipino and with postal address at 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 starting June 16, 2025.

2. I am affiliated with the following companies or organizations (including Government Owed and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
TOWNS (The Outstanding Women in the (Nation's Service) Foundation	Trustee and Treasurer	1983 - Present
Gilt-Edged Properties Inc.	Director and President	1987 - Present
Four Treasures Development Corp.	Director and Treasurer	1987 - Present
Dusit Thani Philippines, Inc.	Vice Chairman and President	1998 – Present
National Music Competitions for Young Artists Foundation Inc (NAMCYA)	Trustee and Treasurer	2000 - Present
Shareholders' Association of the Philippines (SharePHIL)	Trustee and Member of the Executive Committee	2010 - Present
Institute of Solidarity in Asia (ISA)	Trustee and Treasurer	2012 - Present
La Bella Lifestyle Properties, Inc.	Director and President	2013 - Present
Nord Anglia International School	President	2019 - Present
Parish Pastoral Council for Responsible Voting (PPCRV)	National Chairperson	2022 - Present
Philippine Center for Population and Development Inc. (PCPD)	Trustee and President	2022 - Present
MBG Equity Fund	Chairman	2023 - Present
Center for Healthy Solutions and Innovations Philippines, Inc. (CHSI)	Trustee and President	2024 - Present
Women's Business Council Philippines, Inc.	Trustee	2026 - 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	Company	Nature of Relationship

Shareholder		
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 0 7 MAY 2026 in QUEZON CITY.

EVELYN R. SINGSON

SUBSCRIBED AND SWORN to before me this 0 7 MAY 2026 in QUEZON CITY affiant exhibiting to me her competent evidence of identity as follows: National ID

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of _____.

ATTY. RIZAL JOSEF R. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528D/01-05-2026/Q.C.
IBP NO. INV 362041/12-01-2025/Q.C.
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add: 473 Bon. Serrano Road, Barangay San Roque, Marphy, Quezon City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **LYDIA B. ECHAUZ**, of legal age, Filipino and with postal address at 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 Owed and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Meralco	Independent Director	May 2021 – Present
MGen Renewables Holdings Inc	Independent Director	May 2024 – Present
Shell Pilipinas Corp.	Independent Director	May 2017 – Present
D&L Industries	Independent Director	June 2017 – Present
Henry Sy Foundation	Executive Director	2014 – Present
SM Foundation	Trustee	1994 – Present
Museo del Galeon Foundation Inc.	Trustee	2016 – Present
Akademyang Filipino Association, Inc.	Trustee	2014 – Present
Mano Amiga Academy Inc.	Trustee	2015 – Present
Fern Realty Corp	Director	1999 – Present
Riverside College, Inc.	Director	2015 – Present
NBS College, Inc.	Director	2016 - 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 07 MAY 2026 in QUEZON CITY.

LYDIA B. ECHAUZ

SUBSCRIBED AND SWORN to before me this 07 MAY 2026 in QUEZON CITY affiant exhibiting to me her competent evidence of identity as follows: Passport ID No. [redacted] issued by [redacted] valid until [redacted]

Doc. No. 319;
Page No. 65;
Book No. LXIII;
Series of 2026.

ATTY. RIZAL JOSEPH F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528D/01-05-2026/Q.C.
IBP NO. INV 562041/12-01-2025/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, **FLORENCIA G. TARRIELA**, of legal age, Filipino and with postal address at 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 Owed and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Philippine National Bank	Board Adviser	2021 - Present
LT Group Inc.	Board Adviser	2024 – Present
Nickel Asia Corporation	Independent Director	2022 – Present
TSPI MBA	Trustee	2006 – Present
TSPI	Trustee	2003 - Present
Philippine Bible Society	Trustee	2024 - 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 07 MAY 2026 in QUEZON CITY.

FLORENCIA G. TARRIELA

SUBSCRIBED AND SWORN to before me this 07 MAY 2026 in QUEZON CITY affiant exhibiting to me her competent evidence of identity as follows: National ID

Doc. No. 317;
Page No. 65;
Book No. LVIII;
Series of 2026.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528D/01-05-2026/Q.C.
IBP NO. INV 562041/12-01-2025/Q.C.
ROLL NO. 28435
MCLE NO. VIII-0006500 / 05-07-2024
Add: 473 Boni Serrano Road, Barangay
San Roque, Murphy, Quezon City

ANNEX D

Wilcon Depot, Inc.
2025 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 36 to 38 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 2025
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 6 - 11 of the attached **Wilcon 2025 Sustainability Report** for the discussion on materiality process.

ECONOMIC

Economic Performance – see discussion on pages 17 - 20 of the attached Wilcon 2025 Sustainability Report

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	Refer to page 17	PhP
Direct economic value distributed:	Refer to Page 17	
a. Operating costs	Refer to Page 17	PhP
b. Employee wages and benefits	Refer to Page 17	PhP
c. Payments to suppliers, other operating costs	Refer to Page 17	Php
d. Dividends given to stockholders and interest payments to loan providers	Refer to Page 17	PhP
e. Taxes given to government	Refer to Page 17	PhP
f. Investments to community (e.g. donations, CSR)	Refer to Page 17	PhP

Please refer to pages 6 - 11 of the attached **Wilcon 2025 Sustainability Report** for the discussion of impact, stakeholders, risks and opportunities.

[1] See *GRI 102-46* (2016) for more guidance.

Climate-related risks and opportunities[2] – see discussion on pages 6 - 11 of the attached Wilcon 2025 Sustainability Report.

Procurement Practices –see discussion on pages 9, 14, 18 - 20 of the attached Wilcon 2025 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	62%	%

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 6 – 11 of the attached **Wilcon 2025 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 6 - 11 of the attached **Wilcon 2025 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 21 – 24 of the attached Wilcon 2025 Sustainability Report.

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	Refer to page 21	GJ
Energy consumption (gasoline)	5,969.25	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	8,706.45	GJ
Energy consumption (electricity)	Refer to page 21	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 21	kWh
Energy reduction (gasoline)	0	GJ

Please refer to pages 6 – 11 of the attached **Wilcon 2025 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Water consumption within the organization - see discussion on page 21 of the attached Wilcon 2025 Sustainability Report.

Disclosure	Quantity	Units
Water withdrawal	Refer to page 21	Cubic meters
Water consumption	Refer to page 21	Cubic meters
Water recycled and reused	Refer to page 21	Cubic meters

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 6 – 11 of the attached **Wilcon 2025 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 21	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	Refer to page 21	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	Refer to page 21	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 21	kg
Reusable	Refer to page 21	kg
Recyclable	Refer to page 21	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

Please refer to pages 6 - 11 of the attached **Wilcon 2025 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 21	kg
Total weight of hazardous waste transported	Refer to page 21	kg

Please refer to pages 6 - 11 of the attached **Wilcon 2025 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 21	Cubic meters
Percent of wastewater recycled	0	%

Environmental compliance – see discussion on pages 21 – 24 of the attached Wilcon 2025 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 21	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	Refer to page 21	#
No. of cases resolved through dispute resolution mechanism	Refer to page 21	#

Please refer to pages 6 – 11 of the attached **Wilcon 2025 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

SOCIAL

Employee Management – see discussion on pages 25 – 28 of the attached Wilcon 2025 Sustainability Report

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[4]	Refer to page 25	
a. Number of female employees	Refer to page 25	#
b. Number of male employees	Refer to page 25	#
Attrition rate[5]	Refer to page 28	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 25	Refer to page 25
PhilHealth		Refer to page 25	Refer to page 25
Pag-ibig		Refer to page 25	Refer to page 25
Parental leaves		Refer to page 25	Refer to page 25
Vacation leaves		Refer to page 25	Refer to page 25
Sick leaves		Refer to page 25	Refer to page 25
Medical benefits (aside from PhilHealth))		Refer to page 25	Refer to page 25
Housing assistance (aside from Pag-ibig)		Refer to page 25	Refer to page 25
Retirement fund (aside from SSS)		Refer to page 25	Refer to page 25
Further education support		Refer to page 25	Refer to page 25
Company stock options		Refer to page 25	Refer to page 25
Telecommuting		Refer to page 25	Refer to page 25
Flexible-working Hours		Refer to page 25	Refer to page 25
(Others)		Refer to page 25	Refer to page 25

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 25	
a. Female employees	Refer to page 25	hours
b. Male employees	Refer to page 25	hours
Average training hours provided to employees	Refer to page 25	
a. Female employees	Refer to page 25	hours/employee
b. Male employees	Refer to page 25	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 6 – 11 of the attached **Wilcon 2025 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 25	%
Number of consultations conducted with employees concerning employee-related policies	Refer to page 25	#

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 25	%
% of male workers in the workforce	Refer to page 25	%
Number of employees from indigenous communities and/or vulnerable sector*	Refer to page 28	#

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 28	Man-hours
No. of work-related injuries	Refer to page 28	#
No. of work-related fatalities	Refer to page 28	#
No. of work related ill-health	Refer to page 28	#
No. of safety drills	Refer to page 28	#

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 28	#

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Refer to page 28	https://investor.wilcon.com.ph/company-policies/
Child labor	Refer to page 28	https://investor.wilcon.com.ph/company-policies/
Human Rights	Refer to page 28	https://investor.wilcon.com.ph/company-policies/

Please refer to pages 6 - 11 of the attached **Wilcon 2025 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 28	https://investor.wilcon.com.ph/company-policies/
Forced labor	Refer to page 28	https://investor.wilcon.com.ph/company-policies/
Child labor	Refer to page 28	https://investor.wilcon.com.ph/company-policies/
Human rights	Refer to page 28	https://investor.wilcon.com.ph/company-policies/
Bribery and corruption	Refer to page 28	https://investor.wilcon.com.ph/company-policies/

Please refer to pages 6 - 11 of the attached **Wilcon 2025 Sustainability Report** for the discussion on impact, stakeholders, risks and opportunities.

Relationship with the Community – see discussion on pages 29 – 32 of the attached Wilcon 2025 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 29					

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 29	N

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 29	#
No. of complaints addressed	Refer to page 29	#

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 29	#
No. of complaints addressed	Refer to page 29	#

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 29	#
No. of complaints addressed	Refer to page 29	#
No. of customers, users and account holders whose information is used for secondary purposes	Refer to page 29	#

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 29	#

Please refer to pages 6 – 11 of the attached **Wilcon 2025 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 6 - 11 of the attached Wilcon 2025 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

2025 SUSTAINABILITY REPORT





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Message from the PRESIDENT



Wilcon is committed to sustainability through a comprehensive approach that integrates environmental responsibility, social care, and strong governance.

The company focuses on three key pillars:

1. Innovate for More Sustainable Products. We drive product innovation, thoughtful design, and responsible life cycle management. This includes proactive supply chain engagement and a strong commitment to product quality and safety.

2. Take Care of Our People & Communities. We prioritize our workforce and surrounding communities by investing in employee training and development, fostering a positive workplace culture, and promoting wellbeing. We uphold labor rights and employee welfare while supporting community development initiatives. Employee health and safety remain a top priority.

3. Reduce Our Footprint. We actively manage environmental impact through energy use and emissions reduction, effective waste management, and responsible water consumption. We also build resilience by focusing on climate change adaptation.

At the foundation of all efforts, Wilcon embeds sustainability across the organization through business ethics and corporate governance.

Through all the challenges in the past few years, we have kept our focus on our mission, which incorporates our ESG aspirations and goals. Confident in the strength of our resolve, the flexibility and agility built into our entrepreneurial roots and nurturing company culture, we did not waver in living our age-old philosophy of "Building big ideas" and since we've adopted our sustainability framework and strategy, "Building big ideas BETTER".

About our COMPANY



Wilcon Depot Inc., is the Philippines' leading home improvement and construction supplies retailer, carries the most extensive product selection of trusted local and international brands with high-grade features and superior quality ranging from Tiles, Sanitary Wares, Plumbing, Furniture, Home Interior, Building Materials, Hardware, Electrical, Appliances and other DIY items.

Started in 1977 as a 60-square meter hardware store, Wilcon is now boasting a 104-strong store network nationwide with an average size of 9,000 square meters per store. Wilcon commits itself to build, improve, and refine Filipinos homes for sustainable and comfortable life.

In 1977, Wilcon started as a 60-square meter shop along Quezon Avenue. It carried an extensive array of the latest building and finishing materials from international and local markets. A few years after its successful yet humble inception, more and more branches were established across the Metro and in various provinces in the country.

In 2009, Wilcon established Wilcon Home Essentials, a mall-based format retail store, which caters the needs of DIYers. It offers the customers with home must-haves in an organized, clutter-free manner store.

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 Centers as additional distribution channel for pruned items.

As of December 31, 2025, Wilcon has 18 branches spread all over the Metro, 86 stores in the provinces, and 10 of which are Do It Wilcon – with a total of 104 operating stores nationwide, and is now known as the country's leader in home improvement and construction retail store.

It has been the company's goal to offer consumers not only with top-grade quality products, but also, with utmost customer satisfaction. Wilcon revolutionized the construction-supply industry as it committed itself to providing convenient shopping and excellent services such as air-conditioned shops, ample parking spaces, coffee shops (for depot outlets), delivery services, interior design consultation, recreation corner for children, tile-cutting services, product installations, and repairs.
These helped Wilcon in having a strong reputation and industry leadership that made the company a household name for construction-supply industry for 49 years.

Company INFORMATION

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 SOURCE: HTTPS://EDGE.PSE.COM.PH/COMPANYINFORMATION/FORM.DO?CMPY_ID=665	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 2025
HIGHEST RANKING PERSON FOR THIS REPORT	Lorraine Belo-Cincochan, President - CEO



Introduction

Sustainability remains at the core of Wilcon's business. With 49 years in the industry—starting from a modest 60-square-meter shop—we have grown into one of the Philippines's leading retailers of home improvement and construction supplies. This success stems from our deep understanding that every Filipino family aspires to a sustainable, comfortable life, and it is our mission to help make that dream a reality.

As lives evolve and aspirations expand, we remain dedicated to delivering top-tier expertise, knowledge, resources, and skills to build stronger, safer, and more sustainable homes and buildings. Through our durable, high-quality products and solutions, we support improving lifestyles while ensuring long-term value.

We recognize that continued expansion brings responsibility. As Wilcon grows, we prioritize responsible resource management and equitable sharing of that progress with all stakeholders—both internal and external—fostering partnerships that generate meaningful value for everyone involved. Over nearly five decades, this approach has not only driven our business forward but also nurtured the professional growth and success of our employees.

In 2022, we advanced our commitment by launching a carefully developed 5-year Sustainability Strategy, charting our action plans and ambitions through 2028 (and beyond, as we look toward the current horizon in 2026).

This strategy was intentionally aligned with the United Nations Sustainable Development Goals (SDGs), a global framework aimed at addressing pressing challenges like poverty, inequality, and climate change by 2030. Through thorough internal assessments of our operations and activities, we have identified opportunities to create positive impact in key areas, including responsible consumption and production, decent work and economic growth, climate action, sustainable use of natural resources, and gender equality.

We are confident that our strategy aligns closely with these global priorities, and we will continue to innovate across our operations to actively contribute to solving these critical issues.

Shaping a Sustainable Future:
OUR CONTEXT AND IMPACTS







The Securities and Exchange Commission's sustainability reporting mandate for publicly listed companies presented Wilcon with a valuable opportunity to reflect on our long-standing commitment to responsible practices and to refine our approach for greater impact. In 2019, we launched an intensive two-month materiality assessment that continues to guide us today.

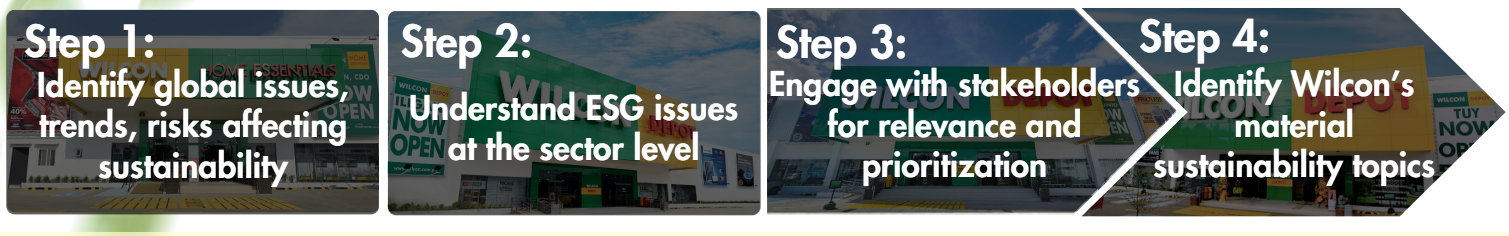
This process enables us to strategically channel our efforts and resources toward a sustainability agenda that drives business growth, effectively manages our impacts and risks, and advances broader sustainable development goals.

As an industry leader in retail and real estate, we sought a deeper, more holistic understanding of the evolving sustainability pressures, opportunities, and drivers shaping our sector. To achieve this, we implemented a comprehensive four-step materiality process, which included:

- A thorough desktop review of global trends, key drivers, and emerging risks drawn from leading international development organizations, multilateral agencies, global sustainability surveys, and ratings bodies—alongside sector-specific issues. This incorporated benchmarking against three recognized sustainability frontrunners in retail and real estate; and

- Nine targeted sets of stakeholder engagement sessions, encompassing both internal voices (permanent employees across various departments and senior leadership/C-suite executives) and external partners (suppliers of diverse sizes and operational models). These conversations surfaced their priority concerns, perceived impacts, and expectations from Wilcon.

Shaping a Sustainable Future:
OUR CONTEXT AND IMPACTS



This foundation keeps our sustainability efforts aligned, relevant, and forward-looking as we continue shaping a more sustainable future.

Late in 2021, as the COVID-19 pandemic continued to reshape operations and priorities across industries, our leadership recognized the importance of evaluating Wilcon's ESG performance and progress amid these unprecedented challenges. This prompted a targeted reassessment, prioritization, and refresh of our material ESG topics, completed by the first quarter of 2022.

To build on and expand the foundational 2019 materiality assessment, we conducted up to fifteen in-depth interviews with a mix of internal and external stakeholders. These engagements helped incorporate evolving business objectives, reflect current realities, and ensure strong alignment with our forward-looking plans and ambitions.

We understand that sustainability is dynamic: as we meet near-term milestones, our longer-term aspirations may shift in response to new insights, market changes, and stakeholder expectations. Accordingly, we maintain an agile approach, regularly refining our strategies and action plans. This adaptive framework equips Wilcon with a clear, evolving roadmap—one that empowers us to deliver sustained success, advance our commitment to Building Big Ideas Better, and contribute meaningfully to a more sustainable world.

Our Priority ESG Topics and Strategic Management Actions



Our Priority ESG Topics and Strategic Management Actions

Our 2019 materiality assessment identified the key sustainability topics most relevant to our business and where we generate the greatest positive impact. These priority areas offer clear pathways to create enhanced, enduring value for Wilcon and our stakeholders. At the same time, we recognize that failing to actively monitor and manage performance in these areas could expose the company to meaningful risks.

The materiality process therefore served as a critical foundation for pinpointing targeted management actions. These steps enable us to proactively mitigate risks while capitalizing on the opportunities embedded in our material topics. Key actions include:

- Continuously monitoring and analyzing market trends, macroeconomic indicators, and emerging developments related to our material topics, allowing us to anticipate shifts effectively, respond with agility, and maintain a diverse, customer-centric range of offerings;
- Equipping company leaders and managers with greater exposure to external ESG dynamics and providing targeted training so they can integrate relevant insights into strategic planning and daily decision-making;
- Offering robust support to our human resources function to attract, develop, and retain top-tier talent over the long term;
- Cultivating deeper, more resilient partnerships with a reliable core group of suppliers capable of consistently delivering innovative, compliant, high-quality products at competitive costs; and
- Incorporating adequate lead times into our construction and development projects to ensure quality, safety, and sustainability standards are met without compromise.

By embedding these actions into our operations, we strengthen our ability to navigate challenges, seize opportunities, and advance meaningful progress toward a sustainable future.

We are committed to deepening our understanding of sustainability impacts and continuously strengthening our responses as we integrate ESG considerations more fully into our long-term strategy and day-to-day operations. To advance this journey with greater clarity and accountability, we commit to the following key next steps:

- Expand stakeholder engagement to include additional groups—leveraging existing channels such as our customer management system as well as targeted, dedicated outreach—to achieve a true 360-degree perspective on our impacts, risks, and opportunities ahead of future reporting cycles;
- Institute a structured, periodic materiality review every two to three years, placed under the direct oversight of senior leadership to ensure ongoing relevance and strategic alignment;
- Build internal capability and embed the insights gained from materiality assessments across relevant business functions, while establishing robust mechanisms to track and measure performance on our priority material topics over time.

Our Priority ESG Topics and Strategic Management Actions

Additionally, the 2022 ESG materiality reassessment identified three important new focus areas under our People pillar: labor rights, gender equality, and community development. These additions reflect evolving expectations and reinforce our dedication to creating positive social value alongside environmental and governance progress.

Through these deliberate actions, we aim to maintain a dynamic, stakeholder-informed approach that keeps sustainability at the heart of how we operate and grow.

Our Priority ESG Topics and Strategic Management Actions

	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.	• 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.	• 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.
	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.



Our Priority ESG Topics and Strategic Management Actions

	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
	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 differentiator.



Our Priority ESG Topics and Strategic Management Actions

	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.



Our Strategic Ambition and SUSTAINABILITY FRAMEWORK

We recognize that as Wilcon grows and scales, responsible stewardship of resources becomes even more essential. We are committed to ensuring this expansion benefits all our stakeholders—both internal teams and external partners—while fostering partnerships that deliver shared, meaningful value for everyone involved.

By weaving our enduring mission of **Building Big Ideas Better** into our broader strategic sustainability ambition, we aspire to lead the transformation of our industry toward authentic, lasting sustainability. We do this by empowering our customers to create, enhance, and evolve their living spaces in ways that are more environmentally responsible, healthier, and truly comfortable for the long term.

To that end, we pledge to bring our highest level of expertise, insight, innovation, and resources to every interaction—delivering durable, high-quality products and solutions that help build stronger, safer, and more sustainable environments.

This vision is made possible through our foundational principles: unwavering **integrity**, delivering genuine **value**, and always choosing to **do the right thing.**

VISION

To become the preferred company in our industry for all our key stakeholders: our customers, our partners, our employees, our shareholders, the environment, and the society we live in.



MISSION

To help people build, improve, and refine their homes for a sustainable and comfortable future.

VALUES

- Innovation
- Leadership
- Integrity to all Stakeholders
- Loyalty to our customers and company
- Excellence Customer service
- Customer Delight
- Collaboration

Vision for 2028

2025 SUSTAINABILITY REPORT



Looking toward 2028, our vision is clear: be the frontrunner in our industry and consistently raise the bar on customer experience. We'll drive this by bringing more sustainable choices to market, steadily shrinking our environmental impact, and genuinely supporting our team members and local communities — backed by solid sustainability governance that's woven into the fabric of our daily operations.

Strategy Framework

WILCON
BUILDING BIG IDEAS
BETTER

INNOVATE FOR MORE SUSTAINABLE PRODUCTS	TAKE CARE OF OUR PEOPLE AND COMMUNITIES	REDUCE OUR FOOTPRINT
Product innovation, design and life cycle management	Employee training and development	Energy use and emissions management
Supply chain management and engagement	Workplace culture, engagement and well-being	Waste management
	Labor rights and employee welfare	Water consumption and management
	Community development	
Product quantity and safety	Employee health and safety	Climate change adaptation

EMBED SUSTAINABILITY

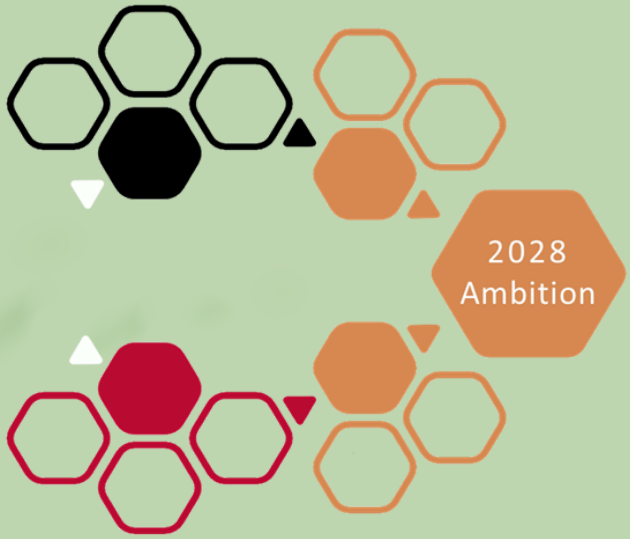
Business Ethics | Corporate Governance

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

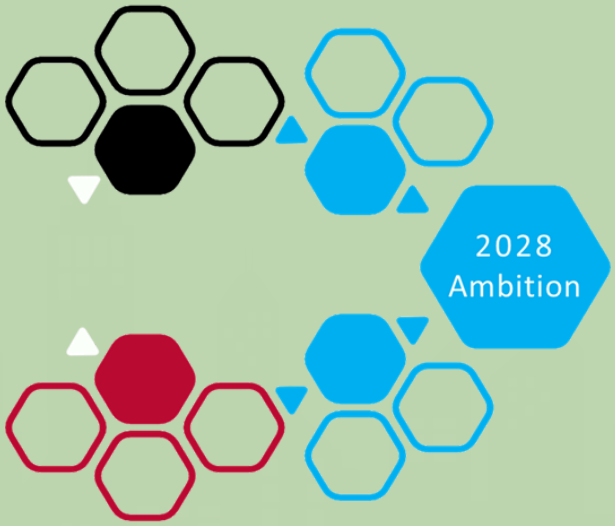
- Ensure the best customer experience
- Provide employees with the knowledge they need to implement supply chain innovation efforts
- Expand availability of locally made, sustainable products
- Empower customers via transparent product information

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 sustainaing 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



Limit the ecological footprint of our operations by reducing our reliance on natural resources and decreasing waste and emissions.

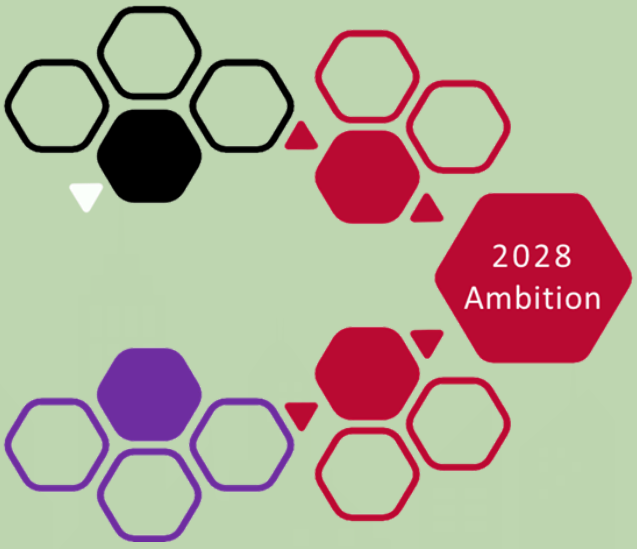
Commitments

- 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

Embed Sustainability – By 2028 we will...

Focus Areas

- Corporate Governance
- Business Ethics



Create a corporate culture of ethics, integrity, and sustainability by following sound corporate governance practices.

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

2025 ESG HIGHLIGHTS

2025 SUSTAINABILITY REPORT

Dividends given to Stockholders

₱ 1.46B

▲ 11.1%

Taxes given to Government

₱ 2.2B

Investments to Community

₱ 8.0M

Branches with Solar Power Systems

58 Stores

Complaint on Customer Privacy

0

GHG Emission (in Tonnes CO2e)

61,399

Reduction on Single-use Plastic Packaging in 2025

50%

Covered by OHSAS

100%

Energy consumption renewable resources (in GJ)

53,286.52

Recyclable Papers, Plastic Packaging & Scraps (in kg)

197,235

ECONOMIC Data

2025 SUSTAINABILITY REPORT

Achieving Second-Half Turnaround



This year marked a highly anticipated turnaround in our sales performance. After several quarters of declining comparable sales, we achieved positive growth starting in the third quarter. The careful recalibration of our strategies, combined with the dedicated efforts of our teams in executing these challenging transitions, has clearly paid off.

Throughout this demanding period, we remained resolute and focused on our long-term goals, staying true to our vision and mission. While we continued to expand, we became more intentional in trimming unproductive initiatives.

We also strengthened our geographic presence by building on the strong, long-term, mutually beneficial relationships with our partner suppliers — aligning our strategic objectives to support the shared achievement of our respective missions and visions.

Economic Performance Direct economic value generated and distributed (in Php)		
	2024	2025
Direct economic value generated (Revenue)	34,654,974,031	35,868,013,718
Direct economic value distributed		
A. Operating costs	9,797,521,465	10,139,115,852
B. Employee wages and benefits	1,688,426,196	1,774,371,793
C. Payments to suppliers, other operating costs	32,201,363,324	33,303,706,407
D. Dividends given to stockholders and interest payments to loan providers	1,065,928,270	1,475,900,682
E. Taxes given to government	2,381,714,645	2,155,851,790
F. Investments to community	21,428,616	7,959,259

Engaging Supplier Partners in Our Sustainability Journey



We continue to engage and deepen our collaboration with our supplier partners across critical areas such as product quality and safety, responsible supply chain management, product innovation, sustainable design, and end-to-end life cycle management.

We implemented an approach, which flows naturally from internal capability-building to external actions.

We equipped our sales teams through specialized training and hands-on product demonstrations to confidently guide customers toward home improvement and construction solutions with tangible environmental benefits, aligning with evolving customer priorities.

We also maintained dedicated in-store displays for green products while expanding engagement with diverse supplier partners, offering targeted support and incentives to accelerate sustainable offerings.



Engaging Supplier Partners in Our Sustainability Journey



The Procurement and Supply Management Division conducted its regular seminar and workshop to familiarize new staff and update current members on the company's ESG framework, strategy, and plans. This activity was designed to ensure the division's plans and programs for the coming year are aligned with the organization's ESG aspirations.

We continued to optimize our inventory management processes, driving higher inventory accuracy and elevating service levels for our customers.

We continued the ESG survey launched in 2024 across our supplier network and the response rate remained promising, signaling sustained supplier willingness to engage in sustainability dialogue.



To embed full life-cycle thinking into product design and decision-making, we developed an ESG end-of-life questionnaire and are strengthening collaboration with supplier partners to promote responsible product stewardship from cradle to grave. This survey has now been made a regular annual activity.

This partnership-driven approach underscores our commitment to co-creating a more sustainable value chain, where suppliers are valued as active partners in achieving shared environmental and social goals.

We look forward to building on this foundation in the coming year through deeper engagement, greater data transparency, and collaborative innovation.

ECONOMIC Data

2025 SUSTAINABILITY REPORT

Engaging Supplier Partners in Our Sustainability Journey

Responsible Sourcing and Sustainable Procurement







As a leading retail company, we recognize that our procurement practices are central to advancing our sustainability ambitions. We will be rolling out a Sustainable Procurement Policy that aims to embed ESG considerations at the core of our sourcing decisions. The policy ensures we consistently select goods and services that minimize environmental impact, promote social responsibility, and support long-term sustainability. It includes a structured supplier accreditation process with mandatory ESG requirements covering alignment with Wilcon's Code of Business Conduct and Ethics, consistent supply chain standards, clean regulatory compliance, employee engagement, and corporate social responsibility.

We actively encourage suppliers to reduce energy use, minimize pollution, and adopt responsible waste management, giving preference to high-performing partners. To drive accountability, we will implement a formal supplier scorecard to monitor compliance. Through these measures, we are building a responsible and resilient supply chain that supports both our business goals and our commitment to a more sustainable future.

ENVIRONMENT Data

Environment Performance Energy Consumption			
	2023	2024	2025
Energy consumption (renewable sources) (in GJ)	50,687.46	52,486.49	53,286.52
Energy consumption (electricity) (in KwH)	74,279,561	83,296,359	84,737,931
Energy reduction of energy consumption (in KwH)			
Energy reduction (renewable resources)	14,079,849	14,579,581	14,801,810
Energy reduction (electricity)	74,279,561	83,296,359	84,737,931
Air emission disclosures (in Tonnes CO2e)			
Scope 1 GHG Emissions	1,053	1,101	1,049
Scope 2 GHG Emissions	52,902	59,324	60,350
Total GHG Emissions	53,955	60,424	61,399
Water consumption within the organization (in CBM)			
Water withdrawal	290,060	280,491	280,413
Water consumption	290,060	280,491	280,413
Water recycled and reused	0.00	0.00	0.00
Solid and hazardous waste generated (in kg)			
Recyclable (papers & scraps)	378,156.50	262,477	197,235
Landfilled	Not collected in 2023	18,237	167,775
Hazardous waste generated	11,528	32,787	135,464
Hazardous waste transported	Stored in the hazardous waste facility /area of the stores	Stored in the hazardous waste facility/area of the stores	Stored in the hazardous waste facility/area of the stores
Environmental Compliance			
Monetary fines for non-compliance (Php)	800,000*	257,159*	463,874*
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



Our stores operate in large formats with significant energy demands. To reduce our environmental impact while achieving greater operational cost efficiency, Wilcon began rolling out solar power solutions in 2016, progressively integrating renewable energy into the power mix of our branches.





ENVIRONMENT Data

2025 SUSTAINABILITY REPORT

Greening Our Branches: Renewable Energy and Energy Efficiency

DID YOU KNOW?

Wilcon designed their buildings to maximize natural light, only turning on lights in the afternoon.





As part of our ongoing expansion, we have continued this initiative with strong momentum. By the end of 2025, over 50% of our branches — equivalent to 58 stores — were already equipped with solar panels. The additional installations have substantially increased the share of renewable energy in our total consumption, resulting in a meaningful reduction in grid electricity usage.

Complementing our renewable energy efforts, we have implemented several energy-efficient design and operational measures. These include the use of high-volume, low-speed (HVLS) fans to minimize air-conditioning requirements, maximized natural lighting through thoughtful store design, and the deployment of battery-powered forklifts instead of diesel-powered units. These initiatives collectively enhance customer and employee comfort while lowering our overall carbon footprint.



61,399

GHG Emission

ENVIRONMENT Data

2025 SUSTAINABILITY REPORT

Shaping the Market: Expanding Green and Sustainable Products

Customers are increasingly conscious of the environmental and social impact of their lifestyle choices. In response, Wilcon has been steadily expanding its range of green and sustainable products to meet this growing demand. Our assortment now includes water-saving fixtures, energy-efficient lighting, low-VOC paints, responsibly sourced wood from renewable forests, and products made from recycled materials, among others.



To further strengthen our commitment to sustainable living, we have rolled out a revised sustainability framework that positions product quality and safety as one of its core pillars. This framework still guides our efforts to continuously innovate and broaden our product portfolio with more sustainable, ethically sourced, and safe solutions. By fostering closer collaboration with our suppliers and considering the full product life cycle — from sourcing to end-use — we aim to help customers build and renovate their homes in ways that support long-term environmental responsibility.







ENVIRONMENT

Data

Advancing Waste Reduction and Circular Practices



Wilcon remains committed to minimizing waste across its operations through continuous process improvements and responsible waste management strategies. By enhancing operational efficiency, we have successfully reduced the volume of recyclable materials generated.



In 2025, we strengthened our partnerships with local government units for proper sorting and disposal of solid waste. We also continued to expand our supplier take-back program, which enables the return of inventory that does not meet quality standards or has been damaged. These items are then recycled or repurposed by our suppliers, effectively diverting waste away from landfills and supporting a more circular economy.

Single-Use Plastic Reduction and Extended Producer Responsibility (EPR)



In 2023, Wilcon launched its Extended Producer Responsibility (EPR) Program in full support of national climate action goals and in compliance with Republic Act 11898, the Extended Producer Responsibility Act of 2022.



A key initiative under this program is the "Return of Plastic Packaging" campaign, which encourages customers to return used plastic packaging and blister packs from Wilcon products.

Dedicated collection booths and drop boxes have been installed in all our stores to facilitate convenient returns. To further boost participation, we are currently developing attractive incentive programs aimed at increasing the campaign's effectiveness and customer engagement.

Through these efforts, Wilcon is on track to achieve its target of a 50% reduction in single-use plastic packaging by the end of 2025.

2025 SUSTAINABILITY REPORT

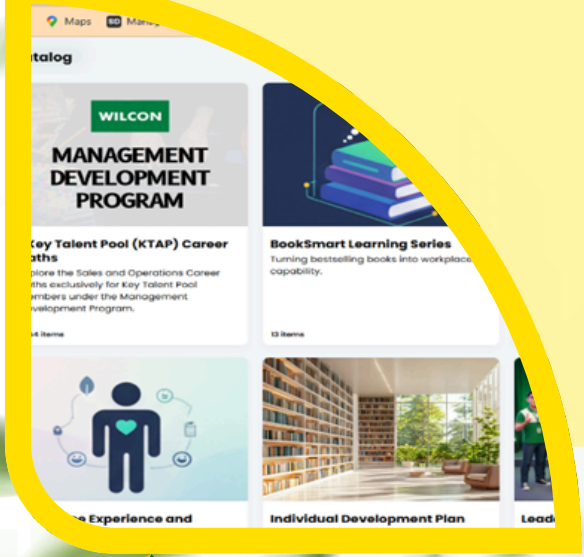
SOCIAL Data



HIGHLIGHT:

LIGHTING THE PATH: HOW WILCON'S LMS INITIATIVE ELEVATES LEARNING, CULTURE, AND IMPACT

At Wilcon, we don't just talk about building better products and services — we build better people. Over the past year, our Learning Management System, **WILCONnect LMS**, has become a powerful platform where growth, collaboration, and excellence hold center stage. It's not just training. It's a movement that mirrors our **ESG (Environmental, Social, Governance) pillars** and helps shape who we are as an organization.



Employee Data		
	Female	Male
Employees by gender	1,693	1,936
Employee benefits (% who availed)	Female	Male
SSS	33.88	32.40
PhilHealth	2.01	0.93
Parental leaves:		
Maternity/ Paternity Leave	6.68	10.48
Solo Parent	2.08	0.07
Magna Carta	0.18	0.00
Vacation leaves	86.81	87.47
Sick leaves	4.43	2.89
Medical benefits (aside from PhilHealth)	40.67	30.43
Housing assistance (aside from Pag-ibig)	0.00	0.00
Retirement Fund (aside from SSS)	0.20	0.33
Further education support	0.00	0.00
Company stocks option	0.00	0.00
Telecommunicating	20.57	19.90
flexible-working hours	24.29	21.09
Employee training and development	Female	Male
Total training hours provided	261	281
Ave. training hours provided	4.14	4.07
Labor Management Relations		
% of employees covered in CBA	21.44	
Number of consultations conducted with employees concerning employee-related policies	5	

SOCIAL Data

SHINE BRIGHT: Luminary Learners Awards



Shine Bright is more than an award—it's our annual celebration of Wilcon's top learners who exemplify curiosity, commitment, and a passion for continuous growth.

At its core, Shine Bright aims to:

Celebrate Excellence	Inspire Continuous Learning	Promote Collaboration
Recognize learners who lead by example and embody our culture of growth.	Reinforce learning as a habit—engaging, rewarding, and part of everyday work.	Bring together Wilconians across branches and departments through s hared learning experiences that strengthen connection and unity.

Together, Shine Bright reinforces our people-first culture and supports our social and governance pillars by developing talent, fostering well-being, and encouraging collaboration across the Wilcon community.

SOCIAL Data

A GLOBAL NOD:
Cypher Learning's Customer Award of the Year

Our investments in people and technology are turning heads beyond Wilcon. At the first-ever Cypher Learning Customer of the Year Awards, Wilcon Depot earned a major distinction for Best in Time-to-Proficiency — reducing training time by 50 % and saving an estimated 7,200 hours annually thanks to the LMS platform.

This award isn't just about metrics. It's about showing that thoughtful learning systems can help real people learn faster, perform better, and feel more confident in their roles. In a world where speed often competes with quality, Wilcon proved that with the right tools and mindset, both are possible.



ROOTED IN SUSTAINABILITY AND CULTURE

When we look at the bigger picture, WILCONnect LMS isn't separate from Wilcon's broader **ESG strategy** — it is a key part of it.

Innovate for More Sustainable Products: A well-trained workforce is better equipped to understand sustainable choices and help customers find eco-friendly options. Knowledge here leads to better product decisions and customer guidance — bridging employee skills with environmental impact.

LOOKING FORWARD

As we celebrate Shine Bright winners and bring home recognition from Cypher Learning, we're reminded that learning is a living thing — it grows when we nurture it, share it, and embed it into our daily work — reinforcing our philosophy that learning never stops. WILCONnect LMS has become more than a platform — it's a living expression of our values, our culture, and our vision to build better — together.

2025 SUSTAINABILITY REPORT

SOCIAL Data

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%
2025	17.22%

100%
Covered by OHSAS

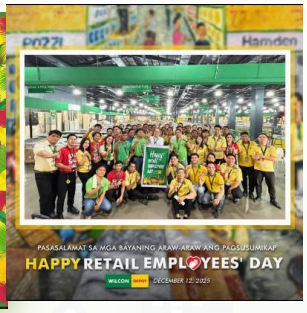
0
Employees from IP

47%
Female Employees

53%
Male Employees







Workplace conditions, labor standards, and human rights	Female	Male
Safe Man-Hours		
No. of work-related injuries*	32	227
No. of work-related fatalities	0	0
No. of work-related ill-health	0	0
No. of safety drills	92	
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.

COMMUNITY Data

Building Lasting Relationships: The Core of Our CX Strategy



Our customers are knowledgeable, decisive, and value speed, convenience, and a seamless shopping experience. That's why we ensure our frontline teams are highly trained and genuinely knowledgeable about our full range of products and services. They stay up to date with the latest design trends and consumer preferences so they can offer informed recommendations and help customers find the best solutions quickly and confidently. We also partner closely with our suppliers to provide reliable after-sales support, including professional installation and repair services.

Customer Management	
Customer Satisfaction	Score
Customer Survey	8/10
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

2025 SUSTAINABILITY REPORT



We stay ahead of the curve by closely monitoring customer preferences to update our product selection, store layout, and online strategy.

To deliver faster, smoother, and more customer-centric experiences, we also continuously leverage technology. We are actively reconfiguring our omnichannel strategy to make it more effective, cohesive, and impactful in driving stronger business results moving forward.

Continuous enhancements to our ABCDE (architects, builders, contractors, designers, and engineers) product and service offerings are also being implemented. Store layout re-configurations always include enhancements to our ABCDE lounges - exclusive space allowing professionals to meet clients, collaborate with peers, brainstorm projects, and browse our extensive product catalog in comfort. Our Design Hub – a service offering an advanced 3D interior design tool that allows them to visualize their ideas, generate detailed layouts, and receive instant product lists with cost estimates have continued to provide invaluable help not only to homeowners but also to professionals who do not have personal access to the technology.



Free membership!
No minimum spent required



Get exclusive discount on daily purchase*
*Terms and Conditions apply



Redeem points to shop



Enjoy members only perks & promos

COMMUNITY Data

2025 SUSTAINABILITY REPORT



Other than our standard loyalty program, we also offer an ABCDE Loyalty Program that provides accredited members with special privileges, including volume discounts, early access to new products and promotions, and exclusive invitations to product launches and curated presentations.

Across all these platforms, we take data privacy seriously. Our robust policies and secure information systems protect every piece of customer data — whether collected online or in-store — and ensure access is strictly limited to authorized personnel.

These customer-first initiatives earned us the prestigious 2025 Retail Asia Awards- Domestic Retailer of the Year and Hardware Retailer of the Year.



COMMUNITY Data

2025 SUSTAINABILITY REPORT

Strengthening Social Capital







As a leading home improvement and construction supplies retailer, Wilcon's expansion into provincial centers across the country is helping stimulate local economies. Our presence is generating greater economic activity, which in turn supports increased infrastructure development and creates new job opportunities in these regions. Our stakeholders believe this growth plays a meaningful role in decentralizing development beyond traditional urban centers.

We actively collaborate with local government units, charitable organizations, civic groups, and other responsible corporations to uplift communities and promote environmental sustainability.

At the same time, our stakeholders have highlighted the growing shortage of skilled workers in the construction sector. This skills gap poses a challenge to our expansion plans and our ability to meet our target number of branches. Similarly, manpower constraints faced by our suppliers can affect their capacity to deliver products consistently.

To address this need, Wilcon channels several of its community development initiatives through the Wilcon Foundation. Initially focused on providing educational assistance to deserving college students, the Foundation has since expanded its support to high school and elementary students. We also established a technical school that successfully produced graduates with certified construction-related skills. Although operations were temporarily suspended during the pandemic, the program was re-established in 2025 under the new Wilcon Upskilling Center, Inc. (WUCI). WUCI is currently working toward formal accreditation from the Technical Education and Skills Development Authority (TESDA).

GOVERNANCE

Business Continuity and Operational Resilience





In 2025, Wilcon successfully implemented a comprehensive, turnkey Business Continuity Management System (BCMS) in partnership with expert consulting services. This initiative strengthens the company's governance framework by enhancing its ability to anticipate, respond to, and recover from potential operational disruptions.

Key Components of the Program

- Awareness training and capacity-building sessions for executives, managers, and employees across the organization
- Conduct of Business Impact Analysis (BIA) and detailed risk assessments to identify critical business processes and recovery priorities
- Development of tailored Business Continuity Plans (BCPs) for key departments and functions
- Rigorous testing, simulation exercises, and scenario drills to validate recovery strategies and ensure team readiness.
- Delivery of all relevant training courses to embed a culture of preparedness

The BCMS program was designed and implemented in full alignment with international best practices, specifically ISO 22301:2019 (Business Continuity Management Systems) and ISO 31000:2018 (Risk Management).

GOVERNANCE
Outcomes and Impacts







The successful rollout of the Business Continuity Management System has significantly strengthened Wilcon's organizational resilience. The company is now better positioned to protect its operations, safeguard its reputation, and ensure uninterrupted service to customers even in the face of unforeseen disruptions such as natural calamities, supply chain interruptions, or other emergencies.

Looking ahead, sustained effectiveness will rely on continuous improvement, regular plan reviews and updates, and ongoing visible commitment from leadership to embed business continuity practices into the company's culture.

Board Diversity and Succession: Appointment of Additional Woman Director

Following the retirement of Wilcon's Chairperson of the board of directors, a new woman independent director was appointed during the June 16, 2025 annual stockholders' meeting.

47% vs 53%
Female:Male
Employee in Key Management Positions

All Female C-Suite

7:6
Female:Male
Top Management

The appointment of an additional Woman Director strengthens Wilcon's Board composition, resulting in a more balanced gender representation of 3 women and 4 men. This enhanced gender diversity brings valuable perspectives, broader insights, and improved decision-making to the Board. Research consistently shows that boards with strong gender diversity tend to demonstrate better governance practices, including more effective risk oversight, higher levels of innovation, and more balanced strategic deliberations.

By increasing female representation, Wilcon reinforces its commitment to inclusive leadership and good corporate governance, ensuring that diverse viewpoints are considered in key decisions that impact the company's long-term sustainability and stakeholder interests.

GOVERNANCE

Wilcon Depot Strengthens ESG Commitment with 15 DTI-Bagwis Awards in 2025







As Wilcon Depot continues to expand its store network across the Philippines, it remains a consistent participant in the DTI–Bagwis Program. This initiative recognizes businesses that demonstrate strong commitment to consumer welfare, ethical practices, and responsible operations — key elements of the Social pillar of ESG (Environmental, Social, and Governance).

DTI Provincial Offices nominate establishments based on strict compliance with trade laws, including the Price Act, Suggested Retail Price (SRP) regulations, and product standards. Awardees also maintain effective Consumer Welfare Desks (CWDs) to promptly address customer concerns.

In 2025, 15 Wilcon Depot stores successfully received Bagwis recognition, with several upgraded to higher tiers. The program offers three levels:

- Bronze – Compliance with fair trade laws and establishment of a Consumer Welfare Desk.
- Silver – Bronze requirements plus demonstrated social responsibility initiatives.
- Gold – Silver qualifications plus alignment with key ISO 9001 quality management standards.

Through its continued participation, Wilcon Depot reinforces its ESG goals by promoting transparency, consumer trust, and responsible business practices across its operations.



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	BACOOR BOULEVARD, BRGY. MAMBOG IV, CITY OF BACOOR
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

	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 ECIJA	STO. CRISTO NORTE, GAPAN NUEVA ECIJA
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	PANIQUI, TARLAC	BRGY. APULID, PANIQUI, TARLAC
75	WCC	ANCHOR 1, 121 VISAYAS AVE., BAHAY TORO, QUEZON CITY
76	STA. MESA	425 PIÑA AVE., BRGY. 585 ZONE 057, SAMPALOC, MANILA
77	MINDANAO AVE.	L-5 B-7 MINDANAO AVE., BAHAY TORO I, QUEZON CITY
78	MUÑOZ	1066 EDSA, BAHAY TORO, QUEZON CITY
79	PASAY	16 C JOSE ST. COR. EDSA, MALIBAY, PASAY CITY
80	ILOILO	GROUND FLOOR UNIT A25-A26, FESTIVE WALK MALL, ILOILO BUSINESS PARK, MANDURRIAO , ILOILO CITY
81	SAN FERNANDO	MC ARTHUR HIGHWAY, BRGY. SAN NICOLAS, SAN FERNANDO, PAMPANGA
82	GUIGUINTO, BULACAN	MCARTHUR HIGHWAY, TUKTUKAN, GUIGUINTO, BULACAN
83	ROSARIO, BATANGAS	PUROK 5, BRGY. BAYBAYIN, ROSARIO BATANGAS
84	UPTOWN, CDO	KM 6, UPPER BALULANG, CAGAYAN DE ORO CITY
85	STA. MARIA	CENTRO ST. GUYONG, SANTA MARIA, BULACAN
86	ILIGAN CITY	PUROK LA PURISIMA, TUBOD, ILIGAN CITY LANAO DEL NORTE
87	NAIC, CAVITE	GOVERNOR'S DRIVE, BRGY. SABANG NAIC, CAVITE
88	TUY, BATANGAS	SITIO CENTRO, BRGY. SABANG, TUY, BATANGAS
89	MORONG, RIZAL	MANILA EAST ROAD, LAGUNDI, MORONG, RIZAL
90	VALENCIA, BUKIDNON	PUROK 17-A POBLACION, VALENCIA, BUKIDNON
91	KORONADAL	PUROK SPRING, KORONADAL CITY, 9506 SOUTH COTABATO
92	VILLAMONTE, BACOLOD	LOT 3-A, NGC, CIRCUMFERENTIAL RD, BRGY. VILLAMONTE, BACOLOD, 6100 NEGROS OCCIDENTAL
93	STA. BARBARA, PANGASINAN	ZONE 3, MC ARTHUR HIGHWAY, SANTA BARBARA, 2419 PANGASINAN
94	ROXAS, CAPIZ	SITIO TRES ARCANGELES, ROXAS CITY, 5800 CAPIZ
95	LA TRINIDAD, BENGUET	LA TRINIDAD, 2601 BENGUET
96	PALA-PALA	AGUINALDO HWY, BRGY. SAMPALOC 1, DASMARIÑAS, 4114 CAVITE
97	PAGBILAO, QUEZON	BRGY. BUKAL, PAGBILAO QUEZON, QUEZON, 4302 QUEZON PROVINCE
98	LUBAO, PAMPANGA	BRGY STO. TOMAS, LUBAO, 2005 PAMPANGA
99	TUBA, BENGUET	BRGY. POBLACION, TUBA, BENGUET
100	P.TUAZON CUBAO	P. TUAZON NEAR CORNER 20TH AVENUE, CUBAO, QUEZON CIITY
101	CORDOVA, CEBU	BRGY. GABI, CORDOVA, CEBU
102	SAN CARLOS, PANGASINAN	BRGY. POBLACION, SAN CARLOS CITY, PANGASINAN
103	BACNOTAN, LA UNION	BRGY. SAN MARTIN, BACNOTAN, LA UNION
104	SUBIC BAY METROPOLITAN AUTHORITY	PORTION OF BLDG. 640, SAMPSON ROAD, CENTRAL BUSINESS DISTRICT, SBF

104
STORES NATIONWIDE
AS OF DECEMBER 31, 2025

TATAG WILCON

PHONE NUMBER
(02) 8634-8387

WEBSITE
http://www.wilcon.com.ph

ADRESS
No. 90 E. Rodriguez Jr. Avenue, Ugong Norte, Quezon City

LOCATION
investor_relations@wilcon.com.ph

ANNEX E

COVER SHEET

C	S	2	0	1	5	2	4	7	1	2

S.E.C Registration No.

W	I	L	C	O	N		D	E	P	O	T		I	N	C	.		D	O	I	N	G			
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E	S	S	E	N	T	I	A	L	S	)															

(Company's Full Name)

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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	(02) 8634-8387
Contact Person	Tel. No.

				1	7	-	Q
Month	*Day*			**FORM TYPE**			

Month	*Date*		

(Annual Meeting)

Secondary License, (if applicable type)

MSRD	N/A
Dept. requiring this doc	**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, 2026

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, 2026 and December 31, 2025 and for the three-month period ended March 31, 2026 and 2025, are filed as part of this form 17-Q.

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

Results of Operations for the Three-month Period Ended March 31, 2026 and 2025

The Company recorded net income of ₱563 million for the first three-month period of 2026, up by ₱26 million or 4.9% from the ₱536 million reported during the same period in 2025. Net margins were 6.1% and 6.4%, respectively. The increase was primarily driven by strong growth in top-line revenue, which more than offset declines in gross profit margins and increases in operating expenses.

Net Sales

Net sales for the three-month period ended March 31, 2026, reached ₱9,170 million, reflecting an increase of ₱761 million, or 9.1%, compared to the same period in 2025. The growth was driven by a 4.0% contribution from new store sales and a 4.7% increase in same-store comparable sales.

During the first quarter of 2026, the Company opened three new depots in Carmona, Cavite, Angeles, Pampanga, and Salawag, Cavite, bringing the total number of branches to 107.

On a per format basis, sales from the depot-format stores, which comprised 96.3% of total net sales, generated ₱8,828 million, representing an increase of ₱713 million or 8.8%, from ₱8,116 million in the same period last year. The growth was driven by a 4.6% contribution from comparable sales and 3.9% contribution from newly opened depots.

The Home Essentials and Do-It-Wilcon format recorded net sales of ₱285 million, an increase of ₱27 million or 10.4% year-on-year, driven mainly by contributions from new Do-It-Wilcon stores. Same-store sales for this smaller store format rose by 1.6%.

The remaining 0.6% of total net sales was contributed by project sales or transactions with major institutional accounts, which totaled ₱56 million, reflecting an increase of ₱22 million, or 62.9%, compared to the prior year.

Gross Profit

Gross profit was higher by ₱131 million, or 4.0%, to ₱3,394 million for the three-month period ended March 31, 2026, from ₱3,264 million in the same period of 2025. While the increase was primarily traced to higher sales volume, the overall growth was tempered by a contraction in the gross profit margin, which decreased by 180 basis points year-on-year to 37%. This contraction was mainly attributable to an unfavorable sales mix, specifically a decreased contribution from higher-margin exclusive and in-house brands, which accounted for 51.7% of total net sales compared to 52.2% in 2025.

Operating Expenses

Operating expenses increased to ₱2,595 million for the period, up by ₱187 million or 7.8% from the prior year's ₱2,408 million. The increase is attributable mainly to expansion-related operating expenses such as depreciation and amortization, outsourced services, trucking, utilities, credit card charges and supplies.

Interest Expense

Interest expense decreased by ₱79 million or 31.0%, to total ₱176 million for the period from the prior year's three-month period of ₱255 million. This decline was primarily attributable to various leases nearing the end of their respective terms. All interest expense reported represents non-cash interest charged on lease liabilities recognized in accordance with the Company's adoption of PFRS 16.

Other Income (Charges)

Other income (charges) for the three-month period ended March 31, 2026, amounted to ₱120 million, which grew by ₱10 million or 8.7% from the ₱110 million due to higher rebates received from suppliers 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 2026 and 2025 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 ending March 31, 2026, reached ₱1,146 million, or 12.5% of net sales, and was higher by 7.8% from the ₱1,063 million, or 12.6% of net sales, recorded for the same period ended March 31, 2025.
2) EBIT for the first three months of 2026 is ₱726 million or 7.9% of net sales, representing a growth of 4.2% compared with the ₱697 million or 8.3% of net sales in the same period of 2025.

The increase in both EBITDA and EBIT was driven by higher net sales, which were partially offset by a decline in gross profit margin and higher operating expenses.

Income Tax Expense

Consequently, the Company's income tax expense increased by ₱6 million or 3.5% to end at ₱180 million in the first quarter of 2026 from the ₱174 million incurred during the same period last year. The increase was due mainly to higher taxable income.

Financial Condition as at March 31, 2026

Liquidity

Net cash provided by operating activities increased by ₱503 million or 46.4% in 2026 compared to 2025, primarily driven by lower inventory purchases during the quarter. Net cash used in investing activities went down by ₱169 million or 26.0% in 2026 compared to 2025, as a result of decreased capital expenditures. Cash used in financing activities reflected ₱569 million lease payments. Current ratio slightly decreased from 2.88:1.00 to 2.44:1.00.

Cash and cash equivalents and short-term investments totaled ₱3,157 million, a ₱586 million or 22.8% increase from the balance as at December 31, 2025. The growth was mainly due to reduction of inventory purchases.

Capital Expenditure

For the quarter, the Company's capital expenditure totaled ₱417 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, 2026	YTD March 31, 2025
Sales	9,169,779,975	8,408,291,423
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense[1]	726,326,502	697,079,391
EBITDA – Adjusted / Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[2]	1,146,401,539	1,063,049,863
EBIT Margin - Treating Interest on Lease Liability as Rent Expense[3]	7.92%	8.29%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[4]	12.50%	12.64%
	As at March 31, 2026	**As at March 31, 2025**
Return on Equity Ratio[5]	2.37%	2.34%
Current Ratio[6]	2.44	2.13
Debt to Equity Ratio[7]	0.72	0.80

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, 2026 and December 31, 2025

1. Aggregate cash increased by ₱586 million or 22.8% from ₱2,571 million at the close of 2025 to ₱3,157 million as at March 31, 2026, due primarily to reduction of acquisition of property and equipment and higher lease payments.

2. Trade and other receivables totaled ₱374 million as at March 31, 2026, ₱39 million or 11.6% higher than the ₱335 million balance as at December 31, 2025. This increase was primarily driven by the growth in trade receivables resulting from the timing of collections from project sales, which was partially offset by collections from credit card sales.

3. Advance payments to suppliers for merchandise orders and operating expenses, increased by ₱64 million or 39.6% from ₱162 million at the close of 2025 to ₱226 million as at March 31, 2026. This increase is primarily attributable to the timing of merchandise deliveries, representing payments for inventory slated for arrival in the succeeding months.

4. Other current assets down by ₱47 million or 5.9% from ₱796 million at the close of 2025 to ₱749 million as at March 31, 2026. The decrease was primarily driven by the usage of materials and supplies and the application of prepaid rent.

5. Other Noncurrent Assets increased by ₱25 million or 5.0% from ₱491 million at the close of 2025 to ₱515 million as at March 31, 2026. The increase was primarily due to advances related to acquisition of software licenses.

6. The current portion of lease liability decreased by ₱194 million or 23.6% from ₱819 million at the close of 2025 to ₱625 million as at March 31, 2026, due mainly to a higher number of leases approaching their contract end.

7. Income tax payable increased by ₱70 million or 56.0% from ₱125 million at the close of 2025 to ₱195 million as at March 31, 2026, mainly due to year-to-date income taxes.

Income Statement Items

1. Operating expenses increased to ₱2,595 million for the period, up by ₱187 million or 7.8% from the prior year's ₱2,408 million. The increase is attributable mainly to expansion-related operating expenses such as depreciation and amortization, outsourced services, trucking, utilities, credit card charges, and supplies.

2. Interest expense decreased by ₱79 million or 31.0%, to total ₱176 million for the period from the prior year's three-month period of ₱255 million. This decline was primarily attributable to various leases nearing the end of their respective terms. All interest expense reported represents non-cash interest charged on lease liabilities recognized in accordance with the Company's adoption of PFRS16.

3. Other income (charges) for the three-month period ended March 31, 2026, amounted to ₱120 million, which grew by ₱10 million or 8.7% from the ₱110 million due to higher rebates received from suppliers and higher collection of rent income due to additional stores opened.

4. The Company's income tax expense increased by ₱6 million or 3.5% to end at ₱180 million in the first quarter of 2026 from the ₱174 million incurred during the same period last year. The increase was due mainly to higher 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 repeatedin a report on Form 17-C which would otherwise be required to be filed with respect to such informationor 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 29, 2026

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, 2026 and December 31, 2025 and
For the Three-Month Period Ended March 31, 2026 and March 31, 2025

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, 2026 AND DECEMBER 31, 2025

	Note	**2026 Unaudited**	2025 Audited
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱1,707,111,602**	₱1,170,708,527
Short-term investments	5	**1,450,000,000**	1,400,000,000
Trade and other receivables	6	**374,358,988**	335,458,857
Advance payments to suppliers	6	**226,482,361**	162,182,873
Merchandise inventories	7	**14,830,071,417**	14,939,929,659
Other current assets	8	**748,507,714**	795,559,000
Total Current Assets		**19,336,532,082**	18,803,838,916
Noncurrent Assets			
Property and equipment	9	**12,667,795,955**	12,680,830,760
Right-of-use (ROU) assets	10	**7,587,249,125**	7,834,422,140
Net deferred tax assets	17	**741,568,088**	723,636,736
Other noncurrent assets	11	**515,463,014**	490,957,232
Total Noncurrent Assets		**21,512,076,182**	21,729,846,868
		₱40,848,608,264	₱40,533,685,784
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	**₱5,471,068,805**	₱5,590,556,860
Dividends payable	14	**1,639,889,646**	–
Current portion of lease liabilities	10	**625,188,775**	818,691,182
Income tax payable		**195,170,064**	125,131,843
Total Current Liabilities		**7,931,317,290**	6,534,379,885
Noncurrent Liabilities			
Lease liabilities - net of current portion	10	**8,975,767,637**	8,981,607,410
Net retirement liability	13	**207,997,866**	206,975,939
Total Noncurrent Liabilities		**9,183,765,503**	9,188,583,349
Total Liabilities		**17,115,082,793**	15,722,963,234
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		**14,213,998,531**	15,291,195,610
Total Equity		**23,733,525,471**	24,810,722,550
		₱40,848,608,264	₱40,533,685,784

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, 2026 AND 2025

		Unaudited	
	Note	**2026**	2025
NET SALES		**₱9,169,779,975**	₱8,408,291,423
COST OF SALES	7	**(5,775,393,653)**	(5,144,716,984)
GROSS INCOME		**3,394,386,322**	3,263,574,439
OPERATING EXPENSES	15	**(2,595,138,914)**	(2,408,206,348)
INTEREST EXPENSE	10	**(175,866,664)**	(254,922,849)
OTHER INCOME – Net	16	**119,717,907**	110,157,090
INCOME BEFORE INCOME TAX		**743,098,651**	710,602,332
INCOME TAX EXPENSE (BENEFIT)	17		
Current		**198,337,436**	206,361,448
Deferred		**(17,931,352)**	(32,091,600)
		180,406,084	174,269,848
NET INCOME		**562,692,567**	536,332,484
TOTAL COMPREHENSIVE INCOME		**562,692,567**	536,332,484
BASIC AND DILUTIVE EARNINGS PER SHARE	19	**₱0.14**	₱0.13

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 CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026 AND 2025

		Unaudited	
	Note	**2026**	2025
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**	46,064,397
RETAINED EARNINGS			
Unappropriated			
Balance at beginning of period		**9,291,195,610**	8,321,344,658
Net income		**562,692,567**	536,332,484
Cash dividends	14	**(1,639,889,646)**	(1,475,900,682)
Balance at end of period		**8,213,998,531**	7,381,776,460
Appropriated			
Balance at beginning of period	14	**6,000,000,000**	6,000,000,000
Balance at end of period		**6,000,000,000**	6,000,000,000
		14,213,998,531	13,381,776,460
		₱23,733,525,471	₱22,901,303,400

See accompanying Notes to Financial Statements.

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UNAUDITED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026 AND 2025

		Unaudited	
	Note	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱743,098,651**	₱710,602,332
Adjustments for:			
Depreciation and amortization	9	**861,452,975**	754,114,064
Interest expense	10	**175,866,664**	254,922,849
Retirement benefits	13	**15,715,414**	14,143,681
Interest income	4	**(16,772,149)**	(13,522,941)
Provision for:			
Inventory write-down and losses	7	**18,626,572**	–
Allowance for expected credit loss on receivables	6	**14,565,120**	22,971,764
Reversal of:			
Allowance for expected credit loss on receivables	6	**(10,825,979)**	(29,247,384)
Inventory write-down and losses	7	**–**	(3,664,063)
Insurance claim income	6	**–**	118,809,899
Loss on disposal of equipment	16	**13,319**	–
Operating income before working capital changes		**1,801,740,587**	1,829,130,201
Decrease in trade and other payables		**(119,488,055)**	603,312,712
Decrease (increase) in:			
Merchandise inventories		**91,231,670**	(1,387,748,471)
Advance payments to suppliers		**(64,299,488)**	38,638,822
Other current assets		**47,051,286**	(74,515,411)
Trade and other receivables		**(28,047,327)**	96,521,142
Net cash generated from operations		**1,728,188,673**	1,105,338,995
Income tax paid		**(128,299,215)**	(3,243,884)
Contributions to retirement plan	13	**(14,693,487)**	(19,591,315)
Interest received from cash and cash equivalents		**212,427**	149,608
Net cash provided by operating activities		**1,585,408,398**	1,082,653,404
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment	9	**(396,020,146)**	(648,503,431)
Short-term investments		**(50,000,000)**	–
Computer software	11	**(21,121,831)**	(3,398,945)
Other noncurrent assets	11	**(14,417,356)**	3,412,554
Interest received from investments		**1,967,778**	280,000
Net cash used in investing activities		**(479,591,555)**	(648,209,822)

(Forward)

	Note	**2026**	2025
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of Lease liabilities	10	**(₱569,413,768)**	(₱507,581,208)
Cash used in financing activities		**(569,413,768)**	(507,581,208)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**536,403,075**	(73,137,626)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,170,708,527**	1,080,478,502
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	**₱1,707,111,602**	₱1,007,340,876

See accompanying Notes to Financial Statements.

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Doing Business under the Name and Style of WILCON CITY CENTER)

NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2026 AND DECEMBER 31, 2025 AND
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025

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 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 which 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 Amendments to PFRS Accounting Standards

The material 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, 2025. The amendments did not materially affect the financial statements of the Company.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

- Annual Improvements to PFRS Accounting Standards Volume 11:

    - Amendments to PFRS 9, *Financial Instruments* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments,* 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 apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

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

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

Under prevailing circumstances, the adoption of PFRS 18 is not expected to have a material impact on the Company's financial position or financial performance. However, it will result in changes in the presentation, classification, and aggregation of items in the statements of comprehensive income and related disclosures. 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 advances from customers, statutory payables, and other payables) 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.

Value Added Tax (VAT)

Revenue, expenses and assets are 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 receivable and payable that are stated with the amount of VAT included.

The amount of VAT recoverable from the tax authority is included as part of "Statutory payables" account under "Trade and other payables" account in the statement of financial position.

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 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.

Deferred Input VAT. Deferred input VAT pertains to the unamortized input VAT on the unpaid portion of availed services prior to the implementation of the Ease of Paying Taxes (EOPT) Act.

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 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

At each reporting date, the Company assesses whether there is any indication that its nonfinancial assets, including property and equipment and right-of-use assets, may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is determined based on the present value of estimated future cash flows expected to be derived from the asset or cash-generating unit (CGU).

Where the carrying amount of an asset or CGU exceeds its recoverable amount, an impairment loss is recognized in profit or loss. Impairment losses are recognized in the period in which they arise.

An assessment is also made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Assets are derecognized upon disposal or when no future economic benefits are expected from their use. Losses arising from events such as fire, typhoon, or other casualty events are recognized in profit or loss when incurred.

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 redeemed award credits 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 part of "Other Payables" 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:

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

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

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 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 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 remeasures the lease liability when there is a change in lease term, including the exercise of extension or termination options, or when there are changes in future lease payments resulting from changes in an index or rate. Any such remeasurement is recognized as an adjustment to the carrying amount of the related ROU asset.

The Company derecognizes the lease liability when the obligation specified in the lease contract is discharged, cancelled, expired, or otherwise terminated, including as a result of lease modifications or early termination. The corresponding ROU asset is derecognized upon termination or expiration of the lease. Any difference between the carrying amounts of the lease liability and the ROU asset at the date of derecognition is recognized in profit or loss.

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. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are reviewed at each reporting date and adjusted as necessary.

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 judgments, 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 used in managing its financial assets to achieve its business objectives. In making this assessment, the Company considers factors such as its objective to hold financial assets to collect contractual cash flows, the policies for managing credit risk, the expected frequency and significance of sales, and the manner in which the performance of financial assets is evaluated.

Based on this assessment, the Company's financial assets are generally managed under a business model whose objective is to collect contractual cash flows.

The Company also assesses whether the contractual terms of its debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, with interest representing the time value of money and credit risk. Financial assets that meet both the business model and SPPI criteria are measured at amortized cost.

Determining the Classification of Lease Arrangements and the 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 existing lease agreements, except for short-term leases of land and buildings with terms of 12 months or less, are accounted for as operating leases under PFRS 16, *Leases*. For remaining leases, the Company recognized lease liabilities and corresponding ROU assets. Lease payments are allocated between reducing the principal liability and recognizing finance costs. Finance costs are recognized in profit or loss using the effective interest method. ROU assets are amortized on a straight-line basis over the lease term.

The leases on land, buildings, and retail and office units are renewable upon mutual agreement by both parties 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 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 applies judgment in estimating ECL on its trade and other receivables. Trade receivables are measured using the simplified approach, which requires the recognition of lifetime ECL, while other receivables are measured using the general approach based on 12-month ECL, unless there has been a significant increase in credit risk.

The Company uses a provision matrix for trade receivables that is based on historical credit loss experience, adjusted for forward-looking information, including current and expected economic conditions. In determining the allowance for ECL, management considers factors such as customer payment behavior, aging profile, and external economic indicators.

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 (excluding advances to officers and employees) as at March 31, 2026 and December 31, 2025 is adequate to cover for possible losses.

The carrying amount of trade and other receivables (excluding advances to officers and employees) and allowance for ECL are disclosed in Note 6 to the financial statements.

Assessing the Impairment Losses on Other Financial Assets at Amortized Cost. The Company applies judgment in assessing ECL on other financial assets at amortized cost. These assets are generally measured using the general approach based on 12-month ECL, unless there has been a significant increase in credit risk.

In estimating ECL, the Company uses historical credit loss experience, adjusted for forward-looking information, including current and expected economic conditions. While the Company has no history of significant credit losses on these financial assets, management considers this together with other relevant factors in assessing the expected credit losses.

No provision for impairment losses on other financial assets at amortized cost were recognized in March 31, 2026 and December 31, 2025.
The carrying amounts of other financial assets are disclosed in Notes 4, 5, 8, 11 and 18 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 the reporting date to the extent that such events confirm conditions existing at the 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 provision for (reversal of) 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, 2026 and December 31, 2025, 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 2026, 2025 and 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, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash in banks	**₱1,047,435,768**	₱1,157,907,669
Cash equivalents	**650,000,000**	–
Cash on hand	**9,675,834**	12,800,858
	₱1,707,111,602	₱1,170,708,527

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents represent money market placements with an interest rate of 5% as of March 31, 2026, and no cash equivalents were held as of December 31, 2025.

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

		For the Three-month period Ended March 31 (Unaudited)	
	Note	**2026**	2025
Short-term investments		**₱15,330,000**	₱362,941
Cash in banks and cash equivalents		**1,442,149**	13,160,000
	16	**₱16,772,149**	₱13,522,941

5. Short-term investments

Short-term investments amounting to ₱1,450.0 million and ₱1,400.0 million as at March 31, 2026 and December 31, 2025, respectively, represent money market placements with terms of more than three (3) months to less than one (1) year, which bears interest from 5.1% to 5.5%.

Interest income from these investments amounted to ₱16.8 million and ₱13.5 million for the three-month period ended March 31, 2026 and 2025, 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, 2026 (Unaudited)**	December 31, 2025 (Audited)
Trade:			
Third parties		**₱294,746,226**	₱319,583,751
Related parties	18	**2,580,217**	1,331,202
Rent receivables	10	**29,110,890**	19,110,219
Advances to officers and employees		**25,025,410**	22,387,745
Insurance claim receivable		**24,959,458**	24,959,458
Others		**67,919,093**	14,329,647
		444,341,294	401,702,022
Allowance for ECL		**(69,982,306)**	(66,243,165)
		₱374,358,988	₱335,458,857

Trade receivables are unsecured, noninterest-bearing and have credit terms of 30 to 60 days.

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 ₱1.1 million and ₱0.9 million in 2026 and 2025, respectively (see Note 18).

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.

The Company incurred inventory-related losses totaling ₱52.5 million resulting from multiple natural calamities in 2025: October 10, 2025 earthquake in Butuan, Agusan del Norte and Tagum Davao del Norte and November 3, 2025 typhoon in Mandaue, Cebu. A partial insurance settlement of ₱25.0 million has been offered, pending final adjustment, with the full disbursement anticipated in Q2 2026.

On the first quarter of 2025, the Company received ₱118.8 million from insurance claims.

Others mainly pertain to accrued interest, income from incidental services rendered, including income from related parties amounting to ₱13.1 million and ₱0.6 million in 2026 and 2025, respectively (see Note 18).

Amounts in Millions	**As at March 31, 2026 (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	**₱294.7**	**₱88.1**	**₱118.1**	**₱49.0**	**₱39.5**
Related parties	**2.6**	**1.1**	**1.3**	**0.2**	**–**
	297.3	**89.2**	**119.4**	**49.2**	**39.5**
Rent receivables	**29.1**	**0.6**	**25.2**	**3.2**	**0.1**
Advances to officers and employees	**25.0**	**2.4**	**22.6**	**–**	**–**
Insurance claim receivable	**25.0**	**25.0**	**–**	**–**	**–**
Others	**68.0**	**50.4**	**14.9**	**0.9**	**1.8**
	444.4	**167.6**	**182.1**	**53.3**	**41.4**
Allowance for ECL	**(70.0)**	**–**	**(8.0)**	**(27.5)**	**(34.5)**
	₱374.4	**₱167.6**	**₱174.1**	**₱25.8**	**₱6.9**

Amounts in Millions	As at December 31, 2025 (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	₱319.6	₱98.2	₱143.5	₱43.9	₱34.0
Related parties	1.3	0.4	0.8	0.1	–
	320.9	98.6	144.3	44.0	34.0
Rent receivables	19.1	0.1	16.1	2.8	0.1
Advances to officers and employees	22.4	2.5	19.9	–	–
Insurance claim receivable	25.0	25.0	–	–	–
Others	14.3	9.7	2.2	0.8	1.6
	401.7	135.9	182.5	47.6	35.7
Allowance for ECL	(66.2)	–	(9.8)	(25.0)	(31.4)
	₱335.5	₱135.9	₱172.7	₱22.6	₱4.3

Movements of allowance for ECL on receivables are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**₱66,243,165**	₱68,811,804
Provision	**14,565,120**	74,831,581
Reversal	**(10,825,979)**	(77,400,220)
Balance at end of period	**₱69,982,306**	₱66,243,165

Based on management assessment, the allowance for ECL on receivables as at March 31, 2026 and December 31, 2025 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 ₱226.5 million and ₱162.2 million as at March 31, 2026 and December 31, 2025. 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, 2026 (Unaudited)	December 31, 2025 (Audited)
At cost	**₱14,738,735,940**	₱14,895,843,021
At NRV	**91,335,477**	44,086,638
	₱14,830,071,417	₱14,939,929,659

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 ₱358.4 million and ₱292.6 million as at March 31, 2026 and December 31, 2025, respectively.

Movements of allowance for inventory write-down and losses are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning of period	**₱248,485,511**	₱186,007,179
Provision	**18,626,572**	62,478,332
Balance at end of period	**₱267,112,083**	₱248,485,511

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 ₱5,775.4 million and ₱5,144.7 million for the three-month period ended March 31, 2026 and 2025, respectively, including any reversal of allowance and provision for inventory write-down and losses.

In 2025, the Company directly written-off ₱7.5 million and recognized an allowance for inventory write-down amounting to ₱45.0 million, resulting in total inventory losses of ₱52.5 million arising from extensive damage caused by multiple natural calamities (see Note 6).

8. Other Current Assets

Details of this account are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Materials and supplies	**₱521,859,177**	₱557,184,347
Prepaid expenses	**217,434,105**	228,265,643
Container deposits	**8,051,681**	8,126,681
Current deferred input VAT	**1,162,751**	1,982,329
	₱748,507,714	₱795,559,000

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 as at March 31, 2026 and December 31, 2025 (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 unapplied input tax from 10% retention in construction in progress.

9. Property and Equipment

Details and movements of this account are as follows:

	March 31, 2026 (Unaudited)					
	Buildings and Improvements	**Furniture and Equipment**	**Leasehold Improvements**	**Transportation Equipment**	**Construction in Progress**	**Total**
Cost						
Balances at beginning of period	**₱13,463,304,199**	**₱3,851,446,396**	**₱1,882,743,533**	**₱56,268,325**	**₱810,622,285**	**₱20,064,384,738**
Additions	**–**	**92,836,790**	**–**	**7,358,482**	**295,824,874**	**396,020,146**
Reclassifications	**563,111,373**	**–**	**20,168,853**	**–**	**(583,280,226)**	**–**
Derecognition	**–**	**(477,672)**	**–**	**–**	**–**	**(477,672)**
Balances at end of period	**14,026,415,572**	**3,943,805,514**	**1,902,912,386**	**63,626,807**	**523,166,933**	**20,459,927,212**
Accumulated Depreciation and Amortization						
Balances at beginning of period	**3,440,474,965**	**2,478,614,100**	**1,423,352,346**	**41,112,567**	**–**	**7,383,553,978**
Depreciation and amortization	**232,000,598**	**128,557,857**	**47,112,133**	**1,371,044**	**–**	**409,041,632**
Derecognition	**–**	**(464,353)**	**–**	**–**	**–**	**(464,353)**
Balances at end of period	**3,672,475,563**	**2,606,707,604**	**1,470,464,479**	**42,483,611**	**–**	**7,792,131,257**
Carrying Amounts	**₱10,353,940,009**	**₱1,337,097,910**	**₱432,447,907**	**₱21,143,196**	**₱523,166,933**	**₱12,667,795,955**

	December 31, 2025 (Audited)					
	Buildings and Improvements	Furniture and Equipment	Leasehold Improvements	Transportation Equipment	Construction in Progress	Total
Cost						
Balances at beginning of year	₱12,070,575,944	₱3,423,777,327	₱1,636,138,027	₱50,997,186	₱639,818,399	₱17,821,306,883
Additions	–	427,669,069	–	5,798,420	1,810,137,647	2,243,605,136
Reclassifications	1,392,728,255	–	246,605,506	–	(1,639,333,761)	–
Disposal	–	–	–	(527,281)	–	(527,281)
Balances at end of year	13,463,304,199	3,851,446,396	1,882,743,533	56,268,325	810,622,285	20,064,384,738
Accumulated Depreciation and Amortization						
Balances at beginning of year	2,583,586,481	2,014,349,559	1,240,281,497	36,916,469	–	5,875,134,006
Depreciation and amortization	856,888,484	464,264,541	183,070,849	4,723,379	–	1,508,947,253
Disposal	–	–	–	(527,281)	–	(527,281)
Balances at end of year	3,440,474,965	2,478,614,100	1,423,352,346	41,112,567	–	7,383,553,978
Carrying Amounts	₱10,022,829,234	₱1,372,832,296	₱459,391,187	₱15,155,758	₱810,622,285	₱12,680,830,760

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 2026.

As at March 31, 2026 and December 31, 2025, the amount of contractual commitment related to the construction in progress amounted to ₱676.9 million and ₱115.3 million, respectively.

Depreciation and amortization are summarized below (see Note 15):

		For the Three-month period Ended March 31 (Unaudited)	
	Note	**2026**	2025
ROU assets	10	**₱441,377,937**	₱388,143,592
Property and equipment		**409,041,632**	355,148,677
Computer software	11	**11,033,406**	10,821,795
	15	**₱861,452,975**	₱754,114,064

The acquisition costs of fully depreciated and amortized assets still in use amounted to ₱2,632.4 million and ₱2,560.2 million in March 31, 2026 and December 31, 2025, respectively.

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 for a period of one (1) to 25 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 ₱207.4 million and ₱206.9 million as at March 31, 2026 and December 31, 2025, respectively (see Note 11).

Amounts recognized in profit and loss:

		For the Three-month period Ended March 31 (Unaudited)	
	Note	**2026**	2025
Amortization on ROU assets	9	**₱441,377,937**	₱388,143,592
Interest on lease liabilities		**175,866,664**	254,922,849
Rent expense	15	**18,870,456**	21,216,419
		₱636,115,057	₱664,282,860

Rent expense in 2026 and 2025 pertains to variable lease payments related to short-term leases.

Movements in the ROU assets are presented below:

	Note	March 31, 2026 (Unaudited) Land	Land and Buildings	Buildings	Retail and Office Units	Total
Cost						
Balances at beginning of period		**₱9,853,974,403**	**₱3,610,148,350**	**₱557,006,000**	**₱152,646,392**	**₱14,173,775,145**
Additions		**154,941,822**	**58,630,701**	**–**	**–**	**213,572,523**
Derecognition		**–**	**–**	**(34,969,280)**	**–**	**(34,969,280)**
Balances as at end of period		**10,008,916,225**	**3,668,779,051**	**522,036,720**	**152,646,392**	**14,352,378,388**
Accumulated Amortization						
Balances at beginning of period		**3,101,566,444**	**2,776,210,778**	**328,778,307**	**132,797,476**	**6,339,353,005**
Amortization	9	**178,662,463**	**222,877,871**	**32,394,259**	**7,443,344**	**441,377,937**
Derecognition		**–**	**–**	**(15,601,679)**	**–**	**(15,601,679)**
Balances as at end of period		**3,280,228,907**	**2,999,088,649**	**345,570,887**	**140,240,820**	**6,765,129,263**
Carrying Amounts		**₱6,728,687,318**	**₱669,690,402**	**₱176,465,833**	**₱12,405,572**	**₱7,587,249,125**

	Note	December 31, 2025 (Audited) Land	Land and Buildings	Buildings	Retail and Office Units	Total
Cost						
Balances at beginning of year		₱9,164,479,749	₱2,951,558,354	₱426,566,687	₱152,646,392	₱12,695,251,182
Additions		716,086,142	658,589,996	275,925,273	–	1,650,601,411
Derecognition		(26,591,488)	–	(145,485,960)	–	(172,077,448)
Balances as at end of year		9,853,974,403	3,610,148,350	557,006,000	152,646,392	14,173,775,145
Accumulated Amortization						
Balances at beginning of year		2,456,737,779	1,933,690,163	338,258,111	103,024,103	4,831,710,156
Amortization	9	671,420,153	842,520,615	136,006,156	29,773,373	1,679,720,297
Derecognition		(26,591,488)	–	(145,485,960)	–	(172,077,448)
Balances as at end of year		3,101,566,444	2,776,210,778	328,778,307	132,797,476	6,339,353,005
Carrying Amounts		₱6,752,407,959	₱833,937,572	₱228,227,693	₱19,848,916	₱7,834,422,140

The noncash transactions related to ROU assets amounted to ₱213.6 million and ₱1,061.1 million for the three-month period ended March 31, 2026 and 2025, respectively.

Movements in the lease liabilities are presented below:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**₱9,800,298,592**	₱9,564,421,527
Additions	**178,756,155**	1,618,717,678
Interest expense	**175,866,664**	714,573,416
Payments	**(553,964,999)**	(2,097,414,029)
Balance at end of period	**9,600,956,412**	9,800,298,592
Current portion	**625,188,775**	818,691,182
Noncurrent portion	**₱8,975,767,637**	₱8,981,607,410

As at March 31, 2025 and December 31, 2024, the future minimum lease payments are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Less than one (1) year	**₱1,188,092,765**	₱1,385,944,794
Between one (1) and five (5) years	**4,973,832,526**	4,903,906,316
More than five (5) years	**8,188,529,235**	8,323,478,897
	₱14,350,454,526	₱14,613,330,007

The interest expense on lease liabilities amounted to ₱175.9 million and ₱254.9 million for the three-month period ended March 31, 2026 and 2025, respectively.

Advance rentals paid for new leases amounted to ₱15.4 million and ₱31.9 million as at March 31, 2026 and December 31, 2025, 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 ₱21.8 million and ₱19.9 million for the three-month period ended March 31, 2026 and 2025, respectively, (see Note 16). Rent receivables amounted to ₱29.1 million and ₱19.1 million as at March 31, 2026 and December 31, 2025, respectively (see Note 6).

Cash Flows from Financing Activities
The reconciliation of movements of liabilities arising from financing activities is presented below:

	2025	**Noncash**	**Cash Payments**	**2026**
Lease liabilities	**₱9,800,298,592**	**₱354,622,819**	**(₱553,964,999)**	**₱9,600,956,412**
Advance rental for new leases	**–**	**15,448,769**	**(15,448,769)**	**–**
	₱9,800,298,592	**₱370,071,588**	**(₱569,413,768)**	**₱9,600,956,412**

	2024	Noncash	Cash Payments	2025
Lease liabilities	₱9,564,421,527	₱2,333,291,094	(₱2,097,414,029)	₱9,800,298,592
Advance rental for new leases	–	31,883,733	(31,883,733)	–
Cash dividends	–	1,475,900,682	(1,475,900,682)	–
	₱9,564,421,527	₱3,841,075,509	(₱3,605,198,444)	₱9,800,298,592

11. Other Noncurrent Assets

Details of this account are as follows:

	Note	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
Security deposits	10	**₱207,442,498**	₱206,888,063
Computer software		**157,663,856**	147,575,431
Electricity deposits		**88,886,248**	88,921,346
Advances to contractors		**51,878,055**	37,067,083
Noncurrent deferred input VAT		**8,142,624**	8,497,629
Prepaid expenses – noncurrent portion	8	**1,449,733**	2,007,680
		₱515,463,014	₱490,957,232

Security deposits include deposits to related parties amounting to ₱151.9 million and ₱150.9 million in March 31, 2026 and December 31, 2025, respectively (see Note 18).

Movements of computer software are as follows:

	Note	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
Cost			
Balance at beginning of period		**₱334,173,521**	₱307,600,466
Additions		**21,121,831**	26,589,160
Derecognition		**(22,459,837)**	(16,105)
Balance at end of period		**332,835,515**	334,173,521
Accumulated Amortization			
Balance at beginning of period		**186,598,090**	142,510,622
Amortization	9	**11,033,406**	44,103,573
Derecognition		**(22,459,837)**	(16,105)
Balance at end of period		**175,171,659**	186,598,090
Carrying Amount		**₱157,663,856**	₱147,575,431

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, 2026 (Unaudited)**	December 31, 2025 (Audited)
Trade:			
Third parties		**₱3,925,611,105**	₱4,094,750,586
Related parties	18	**115,305**	126,078
Nontrade:			
Third parties		**470,381,466**	515,519,803
Related parties	18	**157,320**	116,456
Advances from customers		**521,410,235**	423,735,734
Statutory payables		**293,294,390**	101,390,621
Accrued expenses:			
Utilities		**82,950,253**	97,394,164
Salaries and wages		**21,467,359**	127,023,459
Construction costs		**1,184,027**	123,694,179
Others		**61,325,054**	17,529,506
Others		**93,172,291**	89,276,274
		₱5,471,068,805	₱5,590,556,860

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 ₱1.0 million and ₱0.8 million as at March 31, 2026 and December 31, 2025, respectively.

Statutory payables pertain to withholding taxes and obligatory contributions as mandated by the government. These are paid within 12 months.

Accrued expenses are expected to be settled within the next 12 months. Other accrued expenses pertain to repairs and maintenance, rent and other expenses.

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, 2025.

Details of retirement benefits recognized in profit or loss are as follows:

	For the Three-month period Ended March 31 (Unaudited)	
	2026	2025
Interest expense	**₱12,628,678**	₱9,826,235
Current service cost	**12,088,160**	10,953,760
Interest income	**(9,001,424)**	(6,636,314)
	₱15,715,414	₱14,143,681

The amounts of net retirement liability recognized in the statements of financial position are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Present value of defined benefit obligation	**₱733,734,943**	₱720,609,298
Fair value of plan assets	**(525,737,077)**	(513,633,359)
	₱207,997,866	₱206,975,939

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, 2025.

The changes in the present value of the defined benefit obligation are as follows:

	March 31, 2026 (Unaudited)	December 31,2025 (Audited)
Balance at beginning of period	**₱720,609,298**	₱644,343,301
Interest expense	**12,628,678**	39,304,941
Current service cost	**12,088,160**	43,815,039
Benefits paid from plan assets	**(11,591,193)**	(6,853,983)
Balance at end of period	**₱733,734,943**	₱720,609,298

The changes in the fair value of plan assets are presented below:

	March 31, 2026 (Unaudited)	December 31,2025 (Audited)
Balance at beginning of period	**₱513,633,359**	₱435,168,139
Contributions to retirement plan	**14,693,487**	58,773,947
Interest income	**9,001,424**	26,545,256
Benefits paid from plan assets	**(11,591,193)**	(6,853,983)
Balance at end of period	**₱525,737,077**	₱513,633,359

Details of plan assets are as follows:

	Rates
Cash and cash equivalents	0.1%
Time deposits	8.7%
Debt instruments	60.7%
Equity instruments	23.5%
Others	7.0%
	100%

The principal actuarial assumptions used to determine the retirement liability are as follows:

	March 31, 2026 (Unaudited)	December 31,2025 (Audited)
Discount rate	**6.1%**	6.1%
Annual salary increase rate	**5.0%**	5.0%

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, 2026, the expected future benefits payments are as follows:

One (1) year to five (5) years	**₱154,356,755**
Six (6) years to 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, 2026 and December 31, 2025 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.

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.

As at March 31, 2026 and December 31, 2025, the Company has 4,099,724,116 listed shares.

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 25, 2026	**April 17, 2026**	**May 12, 2026**	**₱0.40**	**₱1,639,889,646**
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

15. Operating Expenses

Details of this account are as follows:

		For the Three-Month Period Ended March 31 (Unaudited)	
	Note	**2026**	2025
Depreciation and amortization	9	**₱861,452,975**	₱754,114,064
Salaries, wages and employee benefits		**427,961,968**	428,591,907
Outsourced services		**384,094,715**	351,111,617
Utilities		**232,282,709**	197,017,861
Trucking services		**225,977,062**	208,681,987
Taxes and licenses		**149,594,766**	144,374,447
Credit card charges		**86,095,676**	73,596,746
Repairs and maintenance		**63,823,830**	72,947,923
Supplies		**60,934,823**	55,411,860
Rent	10	**18,870,456**	21,216,419
Advertising and promotions		**14,646,382**	32,622,667
Communications and postage		**12,521,224**	11,594,581
Fuel and oil		**11,424,742**	12,893,095
Transportation and travel		**7,566,364**	7,642,326
Professional fees		**3,578,883**	3,524,198
Insurance		**3,142,451**	2,971,191
Others		**31,169,888**	29,893,459
		₱2,595,138,914	₱2,408,206,348

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	**2026**	2025
Supplier support and other fees		**₱46,328,336**	₱36,594,775
Delivery fees and other customer charges		**35,002,171**	40,038,602
Rent income	10	**21,809,324**	19,899,067
Interest income	4	**16,772,149**	13,522,941
Net realized foreign exchange gain (loss)		**(180,754)**	101,705
Loss on disposal of equipment	9	**(13,319)**	–
		₱119,717,907	₱110,157,090

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, 2026 and 2025 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)	
	2026	2025
Income tax expense at statutory rate	**₱185,774,663**	₱177,650,583
Income tax effect of:		
Interest income already subjected to final tax	**(4,193,037)**	(3,380,735)
Nondeductible income	**(1,175,542)**	–
	₱180,406,084	₱174,269,848

Net deferred tax assets relate to the tax effect of the temporary differences as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Deferred tax assets:		
Effects of PFRS Accounting Standards 16	**₱544,890,325**	₱533,792,376
Retirement liability	**70,755,563**	70,586,074
Allowance for inventory write-down and losses	**66,778,021**	62,121,378
Deferred credit loyalty points	**20,954,752**	19,869,762
Allowance for impairment of refundable cash bonds	**20,852,484**	20,852,484
Allowance for ECL on receivables	**17,495,576**	16,560,791
Deferred tax liability:		
Unrealized foreign exchange gain	**(158,633)**	(146,129)
	₱741,568,088	₱723,636,736

Deferred income expense (benefit) is recognized as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Through profit or loss	**₱756,922,887**	₱738,991,535
Through other comprehensive income	**(15,354,799)**	(15,354,799)
	₱741,568,088	₱723,636,736

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.

	Year	For the Three-Month Period Ended March 31 (Unaudited)		As at March 31, 2026 (Unaudited) And December 31, 2025 (Audited)	
Related Party		Revenue from Related Parties	Purchases of Inventories and Leases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties
Parent Company	**2026**	**₱1,247,598**	**₱231,303,969**	**₱214,823,289**	**₱772**
	2025	1,001,881	274,669,184	218,413,519	23,458
Entities under Common Control	**2026**	**2,818,125**	**302,843,147**	**267,717,941**	**1,191,279**
	2025	2,015,848	359,026,598	250,969,256	980,224
Directors and Officers	**2026**	**855,298**	**9,832,746**	**10,141,969**	**87,065**
	2025	610,417	11,743,093	10,384,168	44,932
	2026	**₱4,921,021**	**₱543,979,862**	**₱492,683,199**	**₱1,279,116**
	2025	3,628,146	645,438,875	479,766,943	1,048,614

Amounts owed by related parties are as follows:

	Note	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
Advance rent - long term leases	8	**₱322,492,845**	₱324,625,115
Advance rent - short term leases		**1,473,053**	1,473,053
Security deposit	11	**151,935,059**	150,875,459
Trade and other receivables	6	**16,782,242**	2,793,316
		₱492,683,199	₱479,766,943

No impairment loss was recognized on trade and other receivables and security deposits in March 31, 2026 and December 31, 2025.

Amounts owed to related parties consist of trade and other payables aggregating ₱1.3 million and ₱1.0 million as at March 31, 2026 and December 31, 2025, respectively.

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 (25) years (see Note 10).

   Interest expense on lease liabilities to related parties amounted to ₱159.7 million and ₱239.5 million while amortization of ROU assets amounted to ₱410.2 million and ₱358.5 million for the three-month period ended March 31, 2026 and 2025, respectively.

   Total lease payments, including payments on lease liabilities, amounted to ₱516.3 million and ₱483.8 million for the three-month period ended March 31, 2026 and 2025, respectively.

   Rent expense from related parties amounted to ₱23.3 million and ₱32.5 million for the three-month period ended March 31, 2026 and 2025, 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 amounted to ₱134,938 and ₱144,125 for the three-month period ended March 31, 2026 and 2025, respectively.

Sale of goods to related parties aggregated ₱4.9 million and ₱3.6 million for the three-month period ended March 31, 2026 and 2025, 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 ₱19.2 million and ₱14.8 million for the three-month period ended March 31, 2026 and 2025, 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, 2026 and December 31, 2025.

Compensation of key management personnel by benefit type, are as follows:

	For the Three-month Period Ended March 31 (Unaudited)	
	2026	2025
Short-term employee benefits	**₱48,876,167**	₱49,923,897
Retirement benefits	**2,466,803**	2,151,490
	₱51,342,970	₱52,075,387

19. Earnings per Share

Basic and dilutive earnings per share were computed as follows:

	For the Three-month Period Ended March 31 (Unaudited)	
	2026	2025
Net income	**₱562,692,567**	₱536,332,484
Divided by the weighted average number of outstanding shares	**4,099,724,116**	4,099,724,116
	₱0.14	₱0.13

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, 2026 (Unaudited)	December 31, 2025 (Audited)
Total debt	**₱17,115,082,793**	₱15,722,963,234
Total equity	**23,733,525,471**	24,810,722,550
Debt-to-equity ratio	**0.72:1**	0.63:1

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.

Security Deposits. Fair values of security deposits are based on the present value of the expected future cash flows discounted using market rates ranging from 6.45% to 7.57%. 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 2026 and 2025, 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, 2026

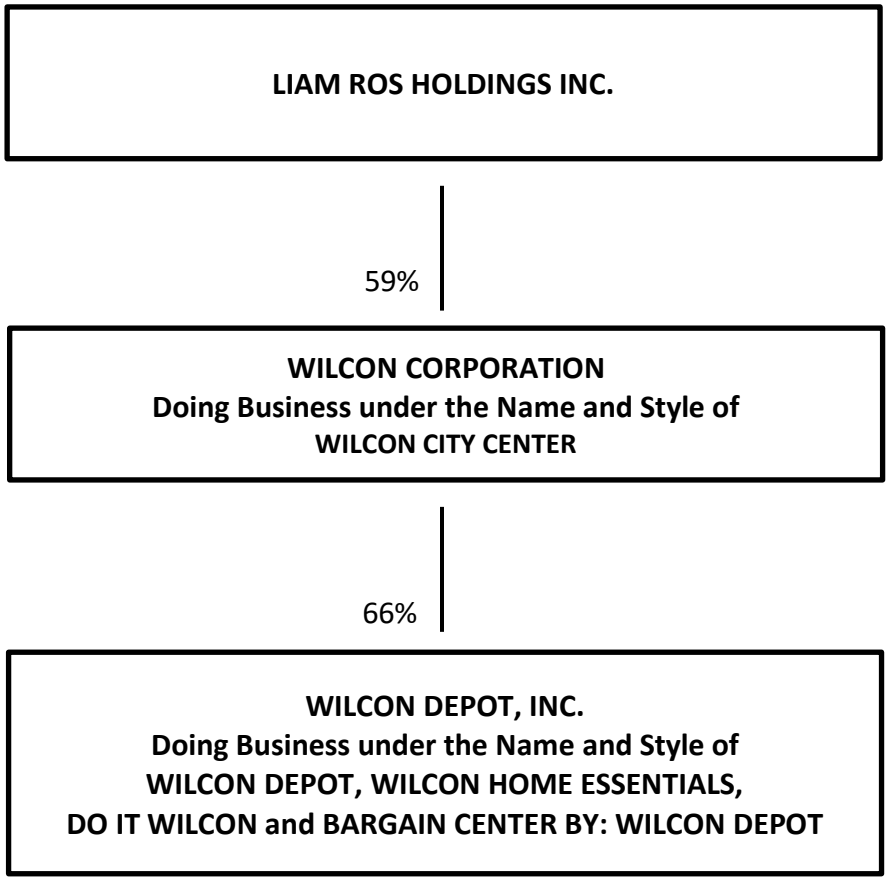
WILCON DEPOT, INC.
No. 90 E. Rodriguez Jr. Avenue Brgy. Ugong Norte, Quezon City

	Amount
Unappropriated retained earnings, beginning of the year	₱8,552,204,075
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	(1,639,889,646)
Unappropriated retained earnings, as adjusted	6,912,314,429
Add: Net income for the current year	562,692,567
Less: Category F: 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	(17,931,352)
Total retained earnings, end of the reporting period available for dividend	**₱7,457,075,644**

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, 2026



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

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

AS AT AND FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2025

	Formula		**March 31, 2026 (Unaudited)**	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Liquidity ratio					
Current ratio	Total Current Assets	₱19,336,532,082	**2.44 : 1**	2.13 : 1	2.88: 1
	Divide by: Total Current Liabilities	7,931,317,290			
	Current ratio	2.44			
Acid test ratio	Total Current Assets	₱19,336,532,082	**0.47 : 1**	0.30 : 1	0.47 : 1
	Less: Merchandise Inventories	14,830,071,417			
	Other Current Assets	748,507,714			
	Quick Assets	3,757,952,951			
	Divide by: Total Current Liabilities	7,931,317,290			
	Acid test ratio	0.47			
Solvency ratio					
Debt to equity ratio	Total Liabilities	₱17,115,082,793	**0.72 : 1**	0.80 : 1	0.63 : 1
	Divide by: Total Equity	23,733,525,471			
	Debt to equity ratio	0.72			
Asset to equity ratio	Total Assets	₱40,848,608,264	**1.72 : 1**	1.80 : 1	1.63 : 1
	Divided by: Total Equity	23,733,525,471			
	Asset to equity ratio	1.72			
Profitability ratio					
Return on assets	Net Income	₱562,692,567	**1.38%**	1.30%	6.03%
	Divided by: Total Assets	40,848,608,264			
	Return on assets	1.38%			
Return on equity	Net Income	₱562,692,567	**2.37%**	2.34%	9.86%
	Divide by: Total Equity	23,733,525,471			
	Return on equity	2.37%			
Book value per share	Total Equity	₱23,733,525,471	**₱5.79**	₱5.59	₱6.05
	Divide by: Number of outstanding Shares	4,099,724,116			
		₱5.79			

	Formula		**March 31, 2026 (Unaudited)**	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Gross income	Gross income	₱3,394,386,322	**37.02%**	38.81%	38.59%
	Divide by: Net Sales	9,169,779,975			
	Gross income	37.02%			
EBITDA margin	Income before Income Tax	₱743,098,651	**19.23%**	20.29%	20.21%
	Add: Depreciation and Amortization	861,452,975			
	Net Interest Expense	159,094,515			
	Earnings Before Interest, Tax, Depreciation, and Amortization	1,763,646,141			
	Divided by: Net Sales	9,169,779,975			
	EBITDA margin	19.23%			
Net income margin	Net Income	₱562,692,567	**6.14%**	6.38%	6.90%
	Divide by: Net Sales	9,169,779,975			
	Net income margin	6.14%			