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S.E.C Registration No.

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(Company's Full name)

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(Principal Office)

Atty. Sheila Pasicolan - Camerino

Contact Person

(02) 8634-8387

Tel. No.

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FORM TYPE

Secondary License, (if applicable type)

Dept. requiring this doc

N/A

Amended Articles number

Total stockholders

Domestic **Foreign**

To be accomplished by SEC personnel concerned

File Number **LCU**

Document I.D. **Cashier**

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended September 30, 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, BARGAIN CENTER BY: WILCON DEPOT and WILCON PREMIER OUTLET DEPOT (Formerly, 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)

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, BARGAIN CENTER BY: WILCON DEPOT and WILCON PREMIER OUTLET DEPOT as at September 30, 2026 and December 31, 2025 and for the nine-month period ended September 30, 2026 and 2025, are filed as part of this form 17-Q.

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

Results of Operations for the Nine-month Period Ended September 30, 2026 and 2025

The Company reported a net income of ₱1,752 million for the first nine months of 2026, a decrease of ₱114 million, or 6.1%, compared to ₱1,866 million in the same period of 2025. Net margins stood at 6.2% and 7.1% for 2026 and 2025, respectively. The decrease in net income was primarily driven by higher operating expenses, which outweighed the favorable impact of growth in sales. Although gross profit increased during the period, the gross profit margin declined from 38.3% to 37.3% as the increase in cost of sales outpaced sales growth, resulting in lower margins.

Net Sales

Net sales for the nine-month period ended September 30, 2026, amounted to ₱28,429 million, reflecting a ₱2,092 million, or 7.9%, increase compared to the same period last year. The growth was driven by a 4.0% contribution from new store sales and a 3.6% increase in same-store comparable sales.

During the third quarter of 2026, the Company opened two new depot stores in Cauayan, Isabela, and Legazpi City, Albay, bringing the total number of branches to 111.

On a per-format basis, sales from the depot-format stores, which accounted for 96.2% of total net sales, increased by ₱1,975 million, or 7.8%, reaching ₱27,346 million, compared to ₱25,371 million in net sales for the nine-month period of 2025. Sales from new depots contributed 3.8%, while comparable sales increased by 3.7%.

The smaller format, Do-It-Wilcon, which includes the original Home Essentials stores, recorded net sales of ₱960 million, marking a notable ₱131 million, or 15.7% increase year-on-year. Same-store sales for this format grew by 5.1%, with the remainder of the growth driven by the performance of newly opened stores.

The remaining 0.4% of total net sales were accounted for by project sales or sales to major institutional accounts, which amounted to ₱123 million, with a ₱14 million, or 9.9% year-on-year decrease.

Gross Profit

Gross profit for the first nine-months of 2026 increased by ₱518 million or 5.1%, to ₱10,594 million from ₱10,076 million in the same period of 2025. Although higher sales volume drove the expansion, the gross profit margin slipped by 100 basis points year-on-year to 37.3%. This margin compression was driven by an unfavorable product mix, with higher-margin in-house and exclusive brands, dropping from 52.5% of total net sales in 2025 to 50.1% in 2026.

Operating Expenses

Operating expenses increased to ₱8,017 million for the period, up by ₱615 million, or 8.3%, from the prior year's ₱7,403 million. The increase was primarily driven by expansion-related costs and higher depreciation and amortization, outsourced services, and utilities. These rising costs were partially offset by lower donations and contributions, advertising and promotions, and repairs and maintenance expenses.

Interest Expense

Interest expense rose by ₱47 million, or 8.7%, to a total of ₱584 million for the period from the prior year's nine-month period of ₱538 million, primarily due to additional leases for new stores and renewal contracts for existing 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 nine-month period ended September 30, 2026, amounted to ₱339 million, down by ₱3 million, or 0.8%, from ₱342 million in the same period last year. The decline was primarily driven by lower supplier rebates, and delivery fees and other customer charges, which outweighed a 30 million increase in non-operating interest income.

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 nine-month period ending September 30, 2026, reached ₱3,554 million, or 12.5% of net sales. This represents a 1.4% decrease from the ₱3,605 million, or 13.7% of net sales, recorded for the same period ended September 30, 2025.
2) EBIT for the first nine-months of 2026 amounted to ₱2,282 million, representing 8.0% of net sales. This reflects a 7.2% decrease from P2,458 million, or 9.3% of net sales, recorded in the same period of 2025.

The decline in both EBITDA and EBIT was primarily attributable to higher operating expenses, and a contraction in gross profit margin.

Income Tax Expense

Consequently, the Company's income tax expense decreased by ₱32 million, or 5.3%, to end at ₱579 million in the nine-month period of 2026 from the ₱612 million incurred during the same period last year. The decrease was due mainly to lower taxable income.

Financial Condition as at September 30, 2026

Liquidity

Net cash provided by operating activities increased by ₱934 million, or 22.0%, for the nine-month period ended September 30, 2026, compared to the same period in 2025. This growth was primarily driven by a significant decrease in merchandise inventories, which was partially offset by a decrease in trade and other payables as the Company settled its outstanding obligations during the period.

Net cash used in investing activities increased by ₱1,245 million, primarily due to significantly lower volume of short-term investments maturing in the current period compared to the high volume of maturities recorded during the first nine months of 2025. Cash used in financing activities totaled ₱3,297 million, reflecting lease and dividend payments. Consequently, the current ratio improved from 2.58:1.00 to 2.66:1.00.

Cash and cash equivalents and short-term investments totaled ₱2,507 million, a ₱64 million, or 2.5% decrease from the balance as at December 31, 2025. This decrease was primarily driven by heavy cash outflows for capital expenditures.

Capital Expenditure

For the nine-month period, the Company's capital expenditures totaled ₱1,988 million, the bulk of which was spent on 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 having 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 leases or other contracts with material contingent liabilities that will adversely affect the company's operations or the implementation of its strategic initiatives.

Key Financial Performance Indicators

Key Performance Indicators	YTD September 30, 2026	YTD September 30, 2025
Sales	28,429,341,603	26,337,210,200
EBIT – Adjusted / Treating Interest on Lease Liability as Rent Expense[1]	2,282,057,079	2,458,223,284
EBITDA – Adjusted / Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[2]	3,554,451,370	3,604,730,969
EBIT Margin - Treating Interest on Lease Liability as Rent Expense[3]	8.0%	9.3%
EBITDA Margin- Treating ROU Depreciation and Interest on Lease Liability as Rent Expense[4]	12.5%	13.7%
	As at September 30, 2026	**As at September 30, 2025**
Return on Equity Ratio[5]	7.0%	7.7%
Current Ratio[6]	2.7	2.6
Debt to Equity Ratio[7]	0.7	0.7

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 September 30, 2026, and December 31, 2025

1. Advances to suppliers increased by ₱96 million, or 59.5%, from ₱162 million as of December 31, 2025, to ₱259 million as of September 30, 2026, primarily due to higher advance payments made to suppliers during the period for merchandise pending delivery.
2. Merchandise Inventories decreased by ₱359 million, or 2.4%, from ₱14,940 million at the close of 2025 to ₱14,581 million as at September 30, 2026. The decline was primarily driven by a lower inventory purchase during the year.
3. Other current assets down by ₱68 million, or 8.6%, from ₱796 million at the close of 2025 to ₱727 million as at September 30, 2026. The decrease was primarily driven by the usage of materials and supplies.
4. Property and Equipment increased by ₱716 million, or 5.6%, from ₱12,681 million as of December 31, 2025, to ₱13,397 million as of September 30, 2026. The increase was primarily attributable to capital expenditures related to the company's store expansion during the period.
5. Right of Use Assets increased by ₱2,402 million, or 30.7%, from ₱7,834 million at the close of 2025 to ₱10,236 million as at September 30, 2026. This growth was primarily due to the contract renewals and additions of new stores, partially offset by the decrease in depreciation recognized year-to-date.
6. Net deferred tax assets increased by ₱59 million, or 8.2%, from ₱724 million at the close of 2025 to ₱783 million as at September 30, 2026. The increase was mainly due to the impact of PFRS16, partially offset by the decrease in the allowance for inventory obsolescence.
7. The current portion of lease liability increased by ₱340 million, or 41.6%, from ₱819 million at the close of 2025 to ₱1,159 million as at September 30, 2026. This increase was primarily due to the recognition of additional leases arising from new store leases and the renewal of existing store leases as at September 30, 2026.
8. Income tax payable increased by ₱53 million, or 42.5%, from ₱125 million at the close of 2025 to ₱178 million as at September 30, 2026, mainly due to year-to-date income taxes.
9. Lease liability increased by ₱2,282 million, or 25.4%, from ₱8,982 million at the close of December 31, 2025 to ₱11,264 million as of September 30, 2026, due primarily due to the recognition of additional leases arising from new store leases and the renewal of existing store leases.

Income Statement Items

1. Operating expenses increased to ₱8,017 million for the period, up by ₱615 million, or 8.3%, from the prior year's ₱7,403 million. The increase was primarily driven by expansion-related costs and higher depreciation and amortization, outsourced services, and utilities. These rising costs were partially offset by lower donations and contributions, advertising and promotions, and repairs and maintenance expenses.
2. Interest expense rose by ₱47 million, or 8.7%, to a total of ₱584 million for the period from the prior year's nine-month period of ₱538 million, primarily due to additional leases for new stores and renewal contracts for existing 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 lease.
3. Other income (charges) for the nine-month period ended September 30, 2026, amounted to ₱339 million, down by ₱3 million, or 0.8%, from ₱342 million in the same period last year. The decline was primarily driven by lower supplier rebates, and delivery fees and other customer charges, which outweighed a 30 million increase in non-operating interest income.
4. The Company's income tax expense decreased by ₱32 million, or 5.3%, to end at ₱579 million in the nine-month period of 2026 from the ₱612 million incurred during the same period last year. The decrease was due mainly to lower taxable income.

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be 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.

October 30, 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, BARGAIN CENTER BY: WILCON DEPOT
and WILCON PREMIER OUTLET DEPOT

(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of
WILCON CITY CENTER)

Unaudited Interim Financial Statements
As at September 30, 2026 and December 31, 2025 and
For the Nine-Month Period Ended September 30, 2026 and September 30, 2025

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
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026 AND DECEMBER 31, 2025

	Note	**2026 Unaudited**	2025 Audited
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱1,206,926,738**	₱1,170,708,527
Short-term investments	5	**1,300,000,000**	1,400,000,000
Trade and other receivables	6	**339,642,422**	335,458,857
Advance payments to suppliers	6	**258,625,558**	162,182,873
Merchandise inventories	7	**14,580,727,521**	14,939,929,659
Other current assets	8	**727,260,351**	795,559,000
Total Current Assets		**18,413,182,590**	18,803,838,916
Noncurrent Assets			
Property and equipment	9	**13,397,173,094**	12,680,830,760
Right-of-use (ROU) assets	10	**10,236,174,220**	7,834,422,140
Net deferred tax assets	17	**782,653,913**	723,636,736
Other noncurrent assets	11	**489,380,756**	490,957,232
Total Noncurrent Assets		**24,905,381,983**	21,729,846,868
		₱43,318,564,573	₱40,533,685,784
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	**₱5,584,075,772**	₱5,590,556,860
Current portion of lease liabilities	10	**1,159,379,481**	818,691,182
Income tax payable		**178,304,271**	125,131,843
Total Current Liabilities		**6,921,759,524**	6,534,379,885
Noncurrent Liabilities			
Lease liabilities - net of current portion	10	**11,264,240,672**	8,981,607,410
Net retirement liability	13	**210,019,211**	206,975,939
Total Noncurrent Liabilities		**11,474,259,883**	9,188,583,349
Total Liabilities		**18,396,019,407**	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		**15,403,018,226**	15,291,195,610
Total Equity		**24,922,545,166**	24,810,722,550
		₱43,318,564,573	₱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, BARGAIN CENTER BY: WILCON DEPOT
and WILCON PREMIER OUTLET 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2026 AND 2025

		Unaudited			
		For the Nine-Month Period Ended September 30		For the Three-Month Period Ended September 30	
	Note	**2026**	2025	**2026**	2025
NET SALES		**₱28,429,341,603**	₱26,337,210,200	**₱9,452,442,023**	₱9,228,155,056
COST OF SALES	7	**(17,835,840,759)**	(16,261,217,355)	**(5,935,781,228)**	(5,764,904,807)
GROSS INCOME		**10,593,500,844**	10,075,992,845	**3,516,660,795**	3,463,250,249
OPERATING EXPENSES	15	**(8,017,346,628)**	(7,402,562,617)	**(2,671,877,810)**	(2,474,626,160)
INTEREST EXPENSE	10	**(584,217,001)**	(537,618,047)	**(221,401,196)**	(179,895,289)
OTHER INCOME - Net	16	**339,023,558**	341,795,153	**114,873,270**	128,655,748
INCOME BEFORE INCOME TAX		**2,330,960,773**	2,477,607,334	**738,255,059**	937,384,548
INCOME TAX EXPENSE (BENEFIT)	17				
Current		**638,265,688**	664,378,650	**203,252,114**	253,594,034
Deferred		**(59,017,177)**	(52,672,051)	**(13,022,653)**	(19,578,821)
		579,248,511	611,706,599	**190,229,461**	234,015,213
NET INCOME		**1,751,712,262**	1,865,900,735	**548,025,598**	703,369,335
TOTAL COMPREHENSIVE INCOME		**₱1,751,712,262**	₱1,865,900,735	**₱548,025,598**	₱703,369,335
BASIC AND DILUTIVE EARNINGS PER SHARE	19	**₱0.43**	₱0.46	**₱0.13**	₱0.17

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, BARGAIN CENTER BY: WILCON DEPOT
and WILCON PREMIER OUTLET 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2026 AND 2025

		Unaudited	
	Note	**2026**	2025
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			
Cumulative Remeasurement Gain on Retirement Liability	13		
Balance at beginning of period		**46,064,397**	177,178,885
Remeasurement loss, net of deferred income tax		**–**	(131,114,488)
Balance at end of period		**46,064,397**	46,064,397
RETAINED EARNINGS			
Unappropriated			
Balance at beginning of period		**9,291,195,610**	8,321,344,658
Net income		**1,751,712,262**	1,865,900,735
Cash dividends	14	**(1,639,889,646)**	(1,475,900,682)
Balance at end of period		**9,403,018,226**	8,711,344,711
Appropriated	14		
Balance at beginning of period		**6,000,000,000**	6,000,000,000
Balance at end of period		**6,000,000,000**	6,000,000,000
		15,403,018,226	14,711,344,711
		₱24,922,545,166	₱24,230,871,651

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, BARGAIN CENTER BY: WILCON DEPOT
and WILCON PREMIER OUTLET DEPOT
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2026 AND 2025

		Unaudited	
	Note	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱2,330,960,773**	₱2,477,607,334
Adjustments for:			
Depreciation and amortization	9	**2,566,360,981**	2,392,006,642
Interest expense	10	**584,217,001**	537,618,047
Interest income	16	**(48,903,694)**	(19,384,049)
Retirement benefits	13	**45,824,053**	42,431,044
Provision for:			
Inventory write-down and losses	7	**–**	22,534,385
Allowance for expected credit loss on receivables	6	**42,934,876**	56,052,976
Reversal for:			
Inventory write-down and losses	7	**(109,857,303)**	–
Allowance for expected credit loss on receivables	6	**(40,617,747)**	(61,296,803)
Losses from Inventory destruction	15	**(15,156,667)**	–
Gain on sale of transportation equipment	16	**(1,019,806)**	(183,035)
Loss on disposal of property and equipment	16	**444,658**	–
Operating income before working capital changes		**5,355,187,125**	5,447,386,541
Decrease (increase) in:			
Merchandise inventories		**484,216,108**	(1,644,213,541)
Advance payments to suppliers		**(96,442,685)**	76,233,331
Other current assets		**68,298,649**	13,569,917
Trade and other receivables		**(1,848,888)**	161,753,078
Increase (Decrease) in trade and other payables		**(6,481,088)**	771,330,101
Net cash generated from operations		**5,802,929,221**	4,826,059,427
Income tax paid		**(585,093,260)**	(522,059,933)
Contributions to retirement plan	13	**(42,780,781)**	(44,080,461)
Interest received from cash and cash equivalents		**8,003,692**	573,105
Net cash provided by operating activities		**5,183,058,872**	4,260,492,138
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment	9	**(1,955,832,476)**	(1,575,713,248)
Computer software	11	**(32,100,187)**	(25,886,200)
Decrease (increase) in:			
Short-term investments		**100,000,000**	1,000,000,000
Other noncurrent assets		**772,515**	(28,184,548)
Interest received from investments		**36,248,194**	23,951,111
Net proceeds from sale of transportation equipment	16	**1,019,806**	183,035
Loss on disposal of property and equipment	16	**(444,658)**	–
Net cash used in investing activities		**(1,850,336,806)**	(605,649,850)

(Forward)

	Note	**2026**	2025
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Lease liabilities	10	**(₱1,656,614,209)**	(₱1,576,174,715)
Cash dividends	14	**(1,639,889,646)**	(1,475,900,682)
Cash used in financing activities		**(3,296,503,855)**	(3,052,075,397)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**36,218,211**	602,766,891
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	**₱1,206,926,738**	₱1,683,245,393

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, BARGAIN CENTER BY: WILCON DEPOT and WILCON PREMIER OUTLET DEPOT

(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

NOTES TO FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2026 AND DECEMBER 31, 2025 AND
FOR THE YEARS ENDED SEPTEMBER 30, 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, BARGAIN CENTER BY: WILCON DEPOT and WILCON PREMIER OUTLET 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 July 30, 2026, the SEC approved the amendment to the Company's articles of incorporation and by-laws to reflect the change in its business name from "WILCON DEPOT, INC. Doing business under the name and style of WILCON DEPOT, WILCON HOME ESSENTIALS, DO IT WILCON and BARGAIN CENTER BY: WILCON DEPOT" to "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."

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

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

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

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

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

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

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

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

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

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

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

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

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

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

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

Adoption of Amended PFRS Accounting Standards
The 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 Amended PFRS Accounting Standards in Issue But Not Yet Effective
Relevant new and amended PFRS Accounting Standards, which are not yet effective as at December 31, 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 5.28% 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 September 30, 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 September 30, 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 September 30, 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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash in banks	**₱1,195,482,097**	₱1,157,907,669
Cash on hand	**11,444,641**	12,800,858
	₱1,206,926,738	₱1,170,708,527

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents represent money market placements and no cash equivalents were held as of September 30, 2026 and December 31, 2025.

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

		Unaudited			
		For the Nine-Month Period Ended September 30		**For the Three-Month Period Ended September 30**	
	Note	**2026**	2025	**2026**	2025
Short-term investments	5	**₱40,900,000**	₱16,441,778	**₱15,214,167**	₱73,333
Cash in banks and cash equivalents		**8,003,694**	2,942,271	**1,762,187**	1,250,365
	16	**₱48,903,694**	₱19,384,049	**₱16,976,354**	₱1,323,698

5. Short-term Investments

Short-term investments amounting to ₱1,300.0 million and ₱1,400.0 million as of September 30, 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 bear interest at 5.3% to 5.4% and 5.4% to 5.5% in 2026 and 2025, respectively.

Interest income from these investments amounted to ₱40.9 million and ₱16.4 million for the nine-month period ended September 30, 2026 and 2025, respectively, and ₱15.2 million and ₱73,333 for the three-month period ended September 30, 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	**September 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Trade:			
Third parties		**₱258,119,564**	₱319,583,751
Related parties	18	**3,358,303**	1,331,202
Insurance claim receivable		**35,841,332**	24,959,458
Advances to officers and employees		**35,533,731**	22,387,745
Rent receivables	10	**26,509,591**	19,110,219
Others		**48,840,195**	14,329,647
		408,202,716	401,702,022
Allowance for ECL		**(68,560,294)**	(66,243,165)
		₱339,642,422	₱335,458,857

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

In 2025, the Company recognized ₱45.0 million in inventory losses from a typhoon in Mandaue, Cebu, alongside ₱25.0 million in initial insurance recovery income. On August 28, 2026, the Company received a final settlement offer of ₱33.0 million and is currently awaiting actual cash collection.

In 2025, the Company recognized ₱4.0 million in inventory losses resulting from an earthquake in Tagum, Davao del Norte. On July 30, 2026, the Company received an insurance settlement offer amounting to ₱2.8 million.

In 2025, the Company recognized ₱3.5 million in inventory losses resulting from an earthquake in Butuan, Agusan del Norte. As of September 30, 2026, no insurance settlement offer has been received, and no recovery income has been recognized.

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 ₱0.7 million and ₱0.9 million in September 30, 2026 and December 31, 2025, respectively (see Note 18).

Others mainly pertain to accrued interest, income from incidental services rendered, including income from related parties amounting to ₱15.2 million and ₱0.6 million in September 30, 2026 and December 31, 2025, respectively (see Note 18).

Amounts in Millions	As at September 30, 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	**₱258.1**	**₱83.3**	**₱92.8**	**₱33.7**	**₱48.3**
Related parties	**3.4**	**1.9**	**1.3**	**0.2**	**–**
	261.5	**85.2**	**94.1**	**33.9**	**48.3**
Insurance claim receivable	**35.8**	**35.8**	**–**	**–**	**–**
Advances to officers and employees	**35.5**	**2.6**	**32.9**	**–**	**–**
Rent receivables	**26.5**	**0.1**	**21.4**	**4.9**	**0.1**
Others	**48.9**	**30.7**	**15.3**	**1.1**	**1.8**
	408.2	**154.4**	**163.7**	**39.9**	**50.2**
Allowance for ECL	**(68.6)**	**–**	**(6.7)**	**(20.1)**	**(41.8)**
	₱339.6	**₱154.4**	**₱157.0**	**₱19.8**	**₱8.4**

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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**₱66,243,165**	₱68,811,804
Provision	**42,934,876**	74,831,581
Reversal	**(40,617,747)**	(77,400,220)
Balance at end of period	**₱68,560,294**	₱66,243,165

Based on management assessment, the allowance for ECL on receivables as at September 30, 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 ₱258.6 million and ₱162.2 million as at September 30, 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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Inventories measured at cost	**₱14,472,867,111**	₱14,895,843,021
Inventories measured at NRV	**107,860,410**	44,086,638
	₱14,580,727,521	₱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 ₱246.5 million and ₱292.6 million as at September 30, 2026 and December 31, 2025, respectively.

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

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning of period	**₱248,485,511**	₱186,007,179
Reversal	**(109,857,303)**	–
Provision	**–**	62,478,332
Balance at end of period	**₱138,628,208**	₱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 ₱17,835.8 million and ₱16,261.2 million for the nine-month period ended September 30, 2026 and 2025, respectively. For the three-month period ended September 30, 2026 and 2025, the amounts totaled ₱5,935.8 million and ₱5,764.9 million, respectively. These amounts include any reversal of allowance and provision for inventory write-down and losses.

In 2025, the Company recognized a direct write-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 2026, damaged merchandise inventory amounting to ₱15.2 million was written off and is presented as a separate line item under Operating Expenses (see Note 15). No similar write-offs were recognized in 2025.

8. **Other Current Assets**

Details of this account are as follows:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Materials and supplies	**₱453,517,376**	₱557,184,347
Prepaid expenses	**265,594,165**	228,265,643
Container deposits	**8,021,681**	8,126,681
Current deferred input VAT	**127,129**	1,982,329
	₱727,260,351	₱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 ₱20.1 million and ₱1.5 million as at September 30, 2026 and December 31, 2025, respectively (see Note 18).

Container deposits pertain to monetary deposits for containers used for imported goods. Container deposits will be refunded upon return of the empty containers to the shipping companies.

Deferred input VAT pertains to unamortized portion of input VAT on property and equipment, and unapplied input tax from 10% retention in construction projects.

9. Property and Equipment

Details and movements of this account are as follows:

	September 30, 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	**–**	**294,550,317**	**–**	**11,395,195**	**1,650,331,622**	**1,956,277,134**
Reclassifications	**1,236,604,589**	**–**	**251,770,066**	**–**	**(1,488,374,655)**	**–**
Disposal	**–**	**(643,073)**	**(16,777,996)**	**(4,382,503)**	**–**	**(21,803,572)**
Balances at end of period	**14,699,908,788**	**4,145,353,640**	**2,117,735,603**	**63,281,017**	**972,579,252**	**21,998,858,300**
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	**710,879,719**	**375,658,746**	**147,507,354**	**5,444,323**	**–**	**1,239,490,142**
Disposal	**–**	**(610,435)**	**(16,777,996)**	**(3,970,483)**	**–**	**(21,358,914)**
Balances at end of period	**4,151,354,684**	**2,853,662,411**	**1,554,081,704**	**42,586,407**	**–**	**8,601,685,206**
Carrying Amounts	**₱10,548,554,104**	**₱1,291,691,229**	**₱563,653,899**	**₱20,694,610**	**₱972,579,252**	**₱13,397,173,094**

	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 September 30, 2026 and December 31, 2025, the amount of contractual commitment related to the construction in progress amounted to ₱488.9 million and ₱115.3 million, respectively.

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

		Unaudited			
		For the Nine-Month Period Ended September 30		For the Three-Month Period Ended September 30	
	Note	**2026**	2025	**2026**	2025
ROU assets	10	**₱1,293,966,690**	₱1,245,498,957	**₱415,587,088**	₱ 432,461,866
Property and equipment		**1,239,490,142**	1,113,111,368	**417,528,961**	383,463,561
Computer software	11	**32,904,149**	33,396,317	**10,908,438**	11,670,000
		₱2,566,360,981	₱2,392,006,642	**₱844,024,487**	₱827,595,427

The acquisition costs of fully depreciated and amortized assets still in use amounted to ₱2,876.5 million and ₱2,560.2 million in September 30, 2026 and December 31, 2025, respectively.

The Company disposed transportation equipment resulting to a gain amounting to ₱1.0 million and ₱0.2 million for the nine-month period ended September 30, 2026 and 2025, respectively, and ₱0.4 million and ₱44,641 for the three-month period ended September 30, 2026 and 2025, respectively (see Note 16).

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 5.0%.

Security deposits amounted to ₱222.4 million and ₱206.9 million as at September 30, 2026 and December 31, 2025, respectively (see Note 11).

Amounts recognized in profit and loss:

		Unaudited			
		For the Nine-Month Period Ended September 30		For the Three-Month Period Ended September 30	
	Note	**2026**	2025	**2026**	2025
Amortization on ROU assets	9	**₱1,293,966,690**	₱1,245,498,957	**₱415,587,088**	₱432,461,866
Interest on lease liabilities		**584,217,001**	537,618,047	**221,401,196**	179,895,289
Rent expense	15	**90,364,107**	64,115,188	**48,910,207**	21,920,257
		₱1,968,547,798	₱1,847,232,192	**₱685,898,491**	₱634,277,412

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	September 30, 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		**1,076,056,388**	**2,384,224,576**	**164,740,570**	**90,064,837**	**3,715,086,371**
Derecognition		**(152,830,819)**	**(2,342,402,402)**	**(304,190,094)**	**(152,646,392)**	**(2,952,069,707)**
Balances as at end of period		**10,777,199,972**	**3,651,970,524**	**417,556,476**	**90,064,837**	**14,936,791,809**
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	**538,459,998**	**641,922,003**	**89,983,072**	**23,601,617**	**1,293,966,690**
Derecognition		**(152,830,819)**	**(2,342,402,402)**	**(284,822,493)**	**(152,646,392)**	**(2,932,702,106)**
Balances as at end of period		**3,487,195,623**	**1,075,730,379**	**133,938,886**	**3,752,701**	**4,700,617,589**
Carrying Amounts		**₱7,290,004,349**	**₱2,576,240,145**	**₱283,617,590**	**₱86,312,136**	**₱10,236,174,220**

	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 ₱3,715.1 million and ₱1,501.8 million for the nine-month period ended September 30, 2026 and 2025, respectively.

Movements in the lease liabilities are presented below:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**₱9,800,298,592**	₱9,564,421,527
Additions	**3,546,162,737**	1,618,717,678
Interest expense	**584,217,001**	714,573,416
Payments	**(1,507,058,177)**	(2,097,414,029)
Balance at end of period	**12,423,620,153**	9,800,298,592
Current portion	**1,159,379,481**	818,691,182
Noncurrent portion	**₱11,264,240,672**	₱8,981,607,410

As at September 30, 2026 and December 31, 2025, the future minimum lease payments are as follows:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Less than one (1) year	**₱1,852,186,781**	₱1,385,944,794
Between one (1) and five (5) years	**6,966,401,727**	4,903,906,316
More than five (5) years	**9,401,189,796**	8,323,478,897
	₱18,219,778,304	₱14,613,330,007

Advance rentals paid for leases amounted to ₱149.6 million and ₱31.9 million as at September 30, 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 ₱63.4 million and ₱63.1 million for the nine-month period ended September 30, 2026 and 2025, respectively, and ₱19.3 million and ₱22.2 million for the three-month period ended September 30, 2026 and 2025, respectively (see Note 16). Rent receivables amounted to ₱26.5 million and ₱19.1 million as at September 30, 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**	**₱4,130,379,738**	**(₱1,507,058,177)**	**₱12,423,620,153**
Advance rental for new leases	**–**	**149,556,032**	**(149,556,032)**	**–**
Cash dividends	**–**	**1,639,889,646**	**(1,639,889,646)**	**–**
	₱9,800,298,592	**₱5,919,825,416**	**(₱3,296,503,855)**	**₱12,423,620,153**

	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	**September 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Security deposits	10	**₱222,368,685**	₱206,888,063
Computer software		**146,771,469**	147,575,431
Electricity deposits		**91,723,161**	88,921,346
Advances to contractors		**21,027,203**	37,067,083
Noncurrent deferred input VAT		**6,925,886**	8,497,629
Prepaid expenses – noncurrent portion		**564,352**	2,007,680
		₱489,380,756	₱490,957,232

Security deposits include deposits to related parties amounting to ₱163.0 million and ₱150.9 million in September 30, 2026 and December 31, 2025, respectively (see Note 18).

Movements of computer software are as follows:

	Note	**September 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Cost			
Balance at beginning of period		**₱334,173,521**	₱307,600,466
Additions		**32,100,187**	26,589,160
Derecognition		**(22,459,837)**	(16,105)
Balance at end of period		**343,813,871**	334,173,521
Accumulated Amortization			
Balance at beginning of period		**186,598,090**	142,510,622
Amortization	9	**32,904,149**	44,103,573
Derecognition		**(22,459,837)**	(16,105)
Balance at end of period		**197,042,402**	186,598,090
Carrying Amount		**₱146,771,469**	₱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 ₱83.4 million. These pertains 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 September 30, 2026 and December 31, 2025 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	**September 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Trade:			
Third parties		**₱3,968,624,973**	₱4,094,750,586
Related parties	18	**108,838**	126,078
Nontrade:			
Third parties		**581,598,156**	515,519,803
Related parties	18	**2,733,071**	116,456
Advances from customers		**508,743,634**	423,735,734
Statutory payables		**158,302,923**	101,390,621
Accrued expenses:			
Utilities		**118,492,104**	97,394,164
Construction costs		**77,847,375**	123,694,179
Salaries and wages		**39,088,926**	127,023,459
Others		**47,955,096**	17,529,506
Others		**80,580,676**	89,276,274
		₱5,584,075,772	₱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 ₱0.9 million and ₱0.8 million as at September 30, 2026 and December 31, 2025, respectively (see Note 18).

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, 2024.

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

	Unaudited			
	For the Nine-Month Period Ended September 30		**For the Three-Month Period Ended September 30**	
	2026	2025	**2026**	2025
Current service cost	**₱34,186,624**	₱32,861,280	**₱9,930,569**	₱10,953,760
Interest expense	**40,516,978**	29,478,705	**15,357,265**	9,826,235
Interest income	**(28,879,549)**	(19,908,941)	**(10,946,297)**	(6,636,314)
	₱45,824,053	₱42,431,044	**₱14,341,537**	₱14,143,681

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

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Present value of defined benefit obligation	**₱743,869,292**	₱720,609,298
Fair value of plan assets	**(533,850,081)**	(513,633,359)
	₱210,019,211	₱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 the latest actuarial valuation date.

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

	September 30, 2026 (Unaudited)	December 31,2025 (Audited)
Balance at beginning of period	**₱720,609,298**	₱644,343,301
Current service cost	**34,186,624**	43,815,039
Interest expense	**40,516,978**	39,304,941
Benefits paid from plan assets	**(51,443,608)**	(6,853,983)
Balance at end of period	**₱743,869,292**	₱720,609,298

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

	September 30, 2026 (Unaudited)	December 31,2025 (Audited)
Balance at beginning of period	**₱513,633,359**	₱435,168,139
Contributions to retirement plan	**42,780,781**	58,773,947
Interest income	**28,879,549**	26,545,256
Benefits paid from plan assets	**(51,443,608)**	(6,853,983)
Balance at end of period	**₱533,850,081**	₱513,633,359

Details of plan assets are as follows:

	Rates
Cash and cash equivalents	0.5%
Time deposits	6.9%
Debt instruments	59.1%
Equity instruments	25.8%
Others	7.7%
	100%

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

	September 30, 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 September 30, 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 retirement liability at the end of the reporting period is 15 years.

14. Equity

Details of capital stock as at September 30, 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 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 September 30, 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:

		Unaudited			
		For the Nine-Month Period Ended September 30		For the Three-Month Period Ended September 30	
	Note	**2026**	2025	**2026**	2025
Depreciation and amortization	9	**₱2,566,360,981**	₱2,392,006,642	**₱844,024,487**	₱827,595,427
Salaries, wages, and employee benefits		**1,293,507,163**	1,254,149,828	**424,268,606**	428,097,097
Outsourced services		**1,194,416,438**	1,090,939,270	**394,582,601**	389,883,514
Utilities		**809,922,375**	691,153,991	**295,625,217**	228,441,960
Trucking services		**668,859,647**	672,133,342	**200,026,057**	232,428,143
Taxes and licenses		**464,335,114**	424,975,421	**156,855,032**	140,952,519
Credit card charges		**267,677,235**	231,764,395	**90,092,359**	82,487,197
Repairs and maintenance		**196,385,276**	184,794,423	**61,267,347**	39,700,374
Supplies		**154,868,839**	129,070,468	**40,186,887**	8,118,954
Rent	10	**90,364,107**	64,115,188	**48,910,207**	21,920,257
Advertising and promotions		**52,515,555**	64,346,926	**14,798,844**	17,209,929
Fuel and oil		**41,277,036**	36,079,671	**15,517,439**	10,138,204
Communications and postage		**33,752,987**	33,621,691	**10,460,828**	10,264,983
Sponsorships and events		**33,214,918**	29,385,507	**8,089,423**	8,832,736
Insurance		**29,169,440**	26,212,846	**9,934,615**	8,537,865
Transportation and travel		**24,735,717**	29,290,545	**9,302,057**	10,401,703
Losses from Inventory destruction		**15,156,667**	–	**15,156,667**	–
Professional fees		**11,739,563**	9,613,616	**3,695,285**	3,303,805
Others		**69,087,570**	38,908,847	**29,083,852**	6,311,493
		₱8,017,346,628	₱7,402,562,617	**₱2,671,877,810**	₱2,474,626,160

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:

		Unaudited			
		For the Nine-Month Period Ended September 30		For the Three-Month Period Ended September 30	
	Note	**2026**	2025	**2026**	2025
Supplier support and other fees		**₱120,130,298**	₱ 141,186,619	**₱43,336,573**	₱59,517,756
Delivery fees and other customer charges		**106,134,793**	117,185,015	**35,090,667**	45,580,685
Rent income	10	**63,383,167**	63,132,897	**19,319,515**	22,204,124
Interest income	4	**48,903,694**	19,384,049	**16,976,354**	1,323,698
Gain on sale of transportation equipment	9	**1,019,806**	183,035	**446,429**	44,641
Loss on disposal of property and equipment	9	**(444,658)**	–	**(412,020)**	–
Net realized foreign exchange gain (loss)		**(103,542)**	723,538	**115,752**	(15,156)
		₱339,023,558	₱341,795,153	**₱114,873,270**	₱128,655,748

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

Delivery fees and other customer charges pertain 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 the regular corporate income tax (RCIT). The income tax rate used for the nine-month period ended September 30, 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:

	Unaudited			
	For the Nine-Month Period Ended September 30		**For the Three-Month Period Ended September 30**	
	2026	2025	**2026**	2025
Income tax expense at statutory rate	**₱582,740,190**	₱619,401,837	**₱184,563,763**	₱234,346,137
Income tax effects of:				
Income already subjected to final tax	**(12,225,924)**	(7,695,238)	**(3,068,547)**	(330,924)
Nondeductible expenses	**8,734,245**	–	**8,734,245**	–
	₱579,248,511	₱611,706,599	**₱190,229,461**	₱234,015,213

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

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Deferred tax assets:		
Effects of PFRS Accounting Standards 16	**₱620,935,048**	₱533,792,376
Retirement liability	**71,283,458**	70,586,074
Allowance for inventory write-down and losses	**34,657,053**	62,121,378
Allowance for impairment of refundable cash bonds	**20,852,484**	20,852,484
Deferred credit loyalty points	**17,966,087**	19,869,762
Allowance for ECL on receivables	**17,140,073**	16,560,791
Deferred tax liability:		
Unrealized foreign exchange gain	**(180,290)**	(146,129)
	₱782,653,913	₱723,636,736

Deferred tax assets are recognized as follows:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Through profit or loss	**₱798,008,712**	₱738,991,535
Through other comprehensive income	**(15,354,799)**	(15,354,799)
	₱782,653,913	₱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.

		For the Nine-Month Period Ended September 30 (Unaudited)		As at September 30, 2026 (Unaudited) And December 31, 2025 (Audited)	
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	**2026**	**₱3,559,666**	**₱732,298,422**	**₱206,925,295**	**₱–**
	2025	2,953,457	677,422,494	218,413,519	23,458
Entities under Common Control	**2026**	**10,735,750**	**1,132,883,555**	**280,354,221**	**3,660,467**
	2025	5,859,785	1,085,695,838	250,969,256	980,224
Stockholders and Officers	**2026**	**3,474,071**	**29,054,651**	**8,753,081**	**50,725**
	2025	2,053,125	33,255,806	10,384,168	44,932
	2026	**₱17,769,487**	**₱1,894,236,628**	**₱496,032,597**	**₱3,711,192**
	2025	10,866,367	1,796,374,138	479,766,943	1,048,614

Amounts owed by related parties are as follows:

	Note	**September 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Security deposit	11	**₱163,031,207**	₱150,875,459
Advance rent - long term leases		**320,917,175**	324,625,115
Advance rent - short term leases	8	**20,093,769**	1,473,053
Trade and other receivables	6	**19,283,296**	2,793,316
		₱523,325,447	₱479,766,943

No impairment loss was recognized on trade and other receivables, security deposits and advance rent in September 30, 2026 and December 31, 2025.

Amounts owed to related parties consist of trade and other payables aggregating ₱3.7 million and ₱1.0 million as at September 30, 2026 and December 31, 2025, 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 ₱532.5 million and ₱488.8 million while amortization of ROU assets amounted to ₱1,194.4 million and ₱1,156.6 million for the nine-month period ended September 30, 2026 and 2025, respectively.

   Total payments on lease liabilities amounted to ₱1,394.4 million and ₱1,482.4 million for the nine-month period ended September 30, 2026 and 2025, respectively.

   Rent expense from related parties amounted to ₱111.2 million and ₱92.5 million for the nine-month period ended September 30, 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 aggregated ₱0.6 million and ₱0.2 million for the nine-month period ended September 30, 2026 and 2025, respectively.

   Sale of goods to related parties aggregated ₱16.9 million and ₱10.9 million for the nine-month period ended September 30, 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 ₱60.7 million and ₱58.2 million for the nine-month period ended September 30, 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 September 30, 2026 and December 31, 2025.

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

	For the Nine-Month Period Ended September 30		**For the Three-Month Period Ended September 30**	
	2026	2025	**2026**	2025
Short-term employee benefits	**₱128,314,974**	₱131,352,804	**₱35,107,183**	₱38,145,013
Retirement benefits	**6,158,857**	5,926,693	**1,548,367**	1,602,101
	₱134,473,831	₱137,279,497	**₱36,655,550**	₱39,747,114

19. Earnings per Share

Basic and dilutive earnings per share were computed as follows:

	For the Nine-Month Period Ended September 30		For the Three-Month Period Ended September 30	
	2026	2025	**2026**	2025
Net income	**₱1,751,712,262**	₱1,865,900,735	**₱548,025,598**	₱703,369,335
Divide by the weighted average number of outstanding shares	**4,099,724,116**	4,099,724,116	**4,099,724,116**	4,099,724,116
	₱0.43	₱0.46	**₱0.13**	₱0.17

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.

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.

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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Total debt	**₱18,396,019,407**	₱15,722,963,234
Total equity	**24,922,545,166**	24,810,722,550
Debt-to-equity ratio	**0.74:1**	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 (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 7.24% to 8.42%. 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 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, BARGAIN CENTER BY: WILCON DEPOT
and WILCON PREMIER OUTLET 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 SEPTEMBER 30, 2026

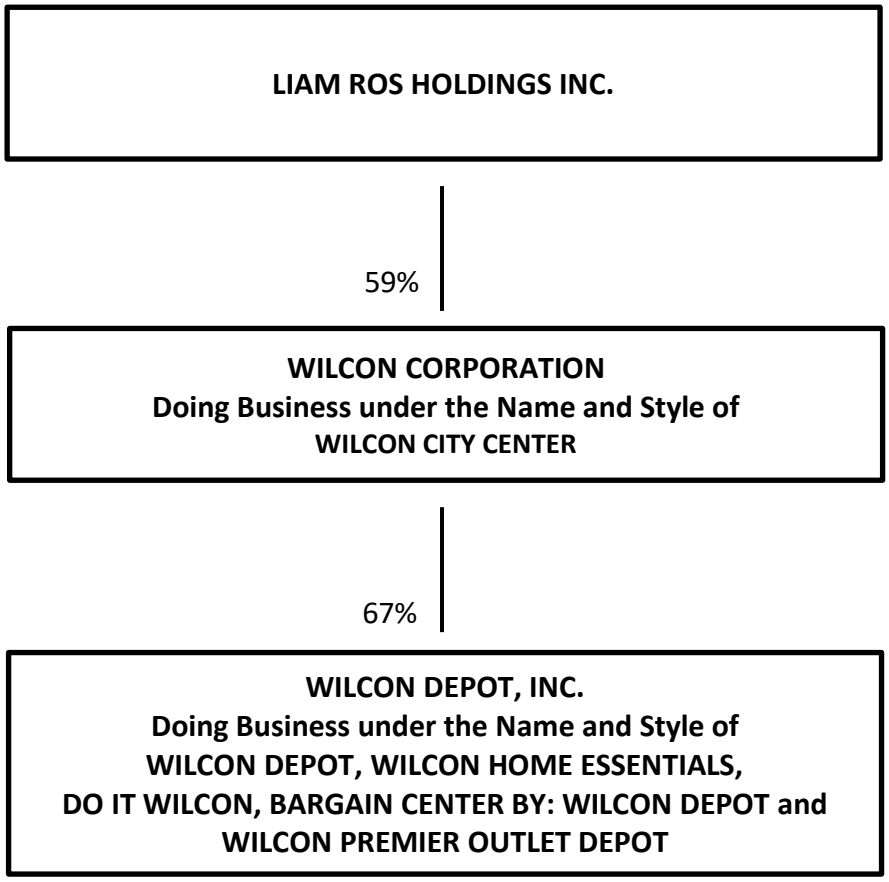
WILCON DEPOT, INC.
No. 90 E. Rodriguez Jr. Avenue Brgy. Ugong Norte, Quezon City

	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	1,751,712,262
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	(59,017,177)
Total retained earnings, end of the reporting period available for dividend	**₱8,605,009,514**

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
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

CORPORATE STRUCTURE

AS AT SEPTEMBER 30, 2026



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
(A Subsidiary of WILCON CORPORATION
Doing Business under the Name and Style of WILCON CITY CENTER)

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

AS AT AND FOR THE PERIOD ENDED SEPTEMBER 30, 2026 AND 2025
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2025

	Formula		**September 30, 2026 (Unaudited)**	September 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Liquidity ratio					
Current ratio	Total Current Assets	₱18,413,182,590	**2.66 : 1**	2.58 : 1	2.88: 1
	Divide by: Total Current Liabilities	6,921,759,524			
	Current ratio	2.66			
Acid test ratio	Total Current Assets	₱18,413,182,590	**0.45 : 1**	0.32 : 1	0.47 : 1
	Less: Merchandise Inventories	14,580,727,521			
	Other Current Assets	727,260,351			
	Quick Assets	3,105,194,718			
	Divide by: Total Current Liabilities	6,921,759,524			
	Acid test ratio	0.45			
Solvency ratio					
Debt to equity ratio	Total Liabilities	₱18,396,019,407	**0.74 : 1**	0.68 : 1	0.63 : 1
	Divide by: Total Equity	24,922,545,166			
	Debt to equity ratio	0.74			
Asset to equity ratio	Total Assets	₱43,318,564,573	**1.74 : 1**	1.68 : 1	1.63 : 1
	Divided by: Total Equity	24,922,545,166			
	Asset to equity ratio	1.74			
Profitability ratio					
Return on assets	Net Income	₱1,751,712,262	**4.04%**	4.57%	6.03%
	Divided by: Total Assets	43,318,564,573			
	Return on assets	4.04%			
Return on equity	Net Income	₱1,751,712,262	**7.03%**	7.70%	9.86%
	Divide by: Total Equity	24,922,545,166			
	Return on equity	7.03%			
Book value per share	Total Equity	₱24,922,545,166	**₱6.08**	₱5.91	₱6.05
	Divide by: Number of outstanding Shares	4,099,724,116			
		₱6.08			

	Formula		**September 30, 2026 (Unaudited)**	September 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Gross income	Gross income	₱10,593,500,844	**37.26%**	38.26%	38.59%
	Divide by: Net Sales	28,429,341,603			
	Gross income	37.26%			
EBITDA margin	Income before Income Tax	₱2,330,960,773	**19.11%**	20.46%	20.21%
	Add: Depreciation and Amortization	2,566,360,981			
	Net Interest Expense	535,313,307			
	Earnings Before Interest, Tax, Depreciation and Amortization	5,432,635,061			
	Divided by: Net Sales	28,429,341,603			
	EBITDA margin	19.11%			
Net income margin	Net Income	₱1,751,712,262	**6.16%**	7.08%	6.90%
	Divide by: Net Sales	28,429,341,603			
	Net income margin	6.16%			