

# COVER SHEET

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[illegible]

(Company's Full Name)

[illegible]

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

**Robirose M. Abbot**  
Contact Person

|                          |
|--------------------------|
| 09190815302              |
| Company Telephone Number |

|              |   |            |   |
|--------------|---|------------|---|
| 1            | 2 | 3          | 1 |
| <i>Month</i> |   | <i>Day</i> |   |
| Calendar     |   | Year       |   |

## 17-Q FORM TYPE

*Month Day*  
 Annual Meeting

Secondary License Type, If  
Applicable

|       |           |      |
|-------|-----------|------|
|       |           |      |
| Dept. | Requiring | this |
| Doc.  |           |      |

| Amended Articles<br>Number/Section |
|------------------------------------|
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of  Total Amount of Borrowings  
 Total No. of Domestic Foreign  
 Stockholders

To be accomplished by SEC Personnel concerned

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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, 2025
2. SEC Identification number: CS-201310179
3. BIR Tax Identification No: 008-541-952
4. AllHome Corp.  
Exact name of issuer as specified in its charter:
5. Philippines  
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code:  (SEC Use Only)
7. LGF Bldg B, EVIA Lifestyle Center, Daanghari, Almanza Dos, Las Piñas City 1747  
Address of issuer's principal office Postal Code
8. +63 (919) 081-5302  
Issuer's telephone number, including area code
9. N/A  
Former name, former address and former fiscal year, if changed since last report

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

| Title of each Class                                        | Number of shares of common stock outstanding<br>And amount of debt outstanding |
|------------------------------------------------------------|--------------------------------------------------------------------------------|
| Common stock (as of 09/30/2025 net of nil treasury shares) | 3,750,000,002                                                                  |

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

Yes [ x ] No [ ]

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

Philippine Stock Exchange Common Stock

12. Check whether the registrant:

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

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**AllHome Corp.**  
**Statements of Financial Position**  
**As of September 30, 2025 and December 31, 2024**  
*(Amounts in Philippine Peso)*

|                                     | Note | Unaudited<br>Sept 30, 2025 | Audited<br>Dec 31, 2024 |
|-------------------------------------|------|----------------------------|-------------------------|
| <b>ASSETS</b>                       |      |                            |                         |
| <b>Current Assets</b>               |      |                            |                         |
| Cash and cash equivalents           | 5    | ₱266,960,581               | ₱1,357,578,051          |
| Trade and other receivables - net   | 6    | 1,016,753,418              | 1,074,361,800           |
| Merchandise inventories             | 7    | 7,215,231,285              | 7,441,356,243           |
| Other current assets                | 8    | 3,472,629,438              | 3,655,651,613           |
| Total Current Assets                |      | 11,971,574,721             | 13,528,947,707          |
| <b>Non-current Assets</b>           |      |                            |                         |
| Property and equipment - net        | 9    | 12,312,252,801             | 12,705,527,887          |
| Other non-current assets            | 8    | 754,582,280                | 721,000,061             |
| Total Non-current Assets            |      | 13,066,835,080             | 13,426,527,948          |
| <b>TOTAL ASSETS</b>                 |      | <b>25,038,409,802</b>      | <b>26,955,475,655</b>   |
| <b>LIABILITIES AND EQUITY</b>       |      |                            |                         |
| <b>Current Liabilities</b>          |      |                            |                         |
| Trade and other payables            | 10   | 1,167,565,520              | 960,134,016             |
| Loans payable                       | 11   | 2,385,071,344              | 4,090,502,730           |
| Lease liability                     | 12   | 518,606,031                | 516,222,626             |
| Income tax payable                  |      | 12,201,959                 | 14,250,585              |
| Total Current Liabilities           |      | 4,083,444,854              | 5,581,109,957           |
| <b>Non-current Liabilities</b>      |      |                            |                         |
| Loans payable                       | 11   | 2,223,150,000              | 2,230,150,000           |
| Lease liability                     | 12   | 1,771,929,206              | 2,161,710,201           |
| Deferred tax liabilities - net      | 17   | 659,328,872                | 653,389,784             |
| Retirement benefit obligation       | 16   | 70,313,406                 | 62,384,938              |
| Total Non-current Liabilities       |      | 4,724,721,483              | 5,107,634,923           |
| Total liabilities                   |      | 8,808,166,337              | 10,688,744,880          |
| <b>Equity</b>                       |      |                            |                         |
| Capital stock                       | 19   | 3,750,000,002              | 3,750,000,002           |
| Additional paid-in capital          |      | 7,209,298,114              | 7,209,298,114           |
| Revaluation reserves                |      | 53,067,226                 | 53,067,226              |
| Retained earnings                   |      | 5,217,878,123              | 5,254,365,433           |
| Total Equity                        |      | 16,230,243,466             | 16,266,730,775          |
| <b>TOTAL LIABILITIES AND EQUITY</b> |      | <b>₱25,038,409,802</b>     | <b>₱26,955,475,655</b>  |

See accompanying Notes to Financial Statements.



**AllHome Corp.**  
**Statements of Comprehensive Income**  
**For the nine months ended September 30, 2025 and**  
**2024 (Amounts in Philippine Peso)**

|                                                         | Note | Unaudited<br>Jul-Sept<br>Q3-2025 | Unaudited<br>Jan-Sept<br>2025 | Unaudited<br>Jul-Sept<br>Q3-2024 | Unaudited<br>Jan-Sept<br>2024 |
|---------------------------------------------------------|------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| <b>SALES</b>                                            | 13   | <b>P 1,602,941,920</b>           | <b>P5,598,652,610</b>         | <b>P2,164,917,591</b>            | <b>P7,785,590,151</b>         |
| <b>COST OF MERCHANDISE SOLD</b>                         | 14   | <b>(1,008,883,410)</b>           | <b>(3,484,591,826)</b>        | <b>(1,344,816,107)</b>           | <b>(4,836,298,197)</b>        |
| <b>GROSS PROFIT</b>                                     |      | <b>594,058,510</b>               | <b>2,114,060,784</b>          | <b>820,101,484</b>               | <b>2,949,291,954</b>          |
| <b>SUPPORT FEES, RENTALS AND<br/>OTHER REVENUES</b>     | 13   | <b>16,039,420</b>                | <b>87,977,011</b>             | <b>45,631,082</b>                | <b>136,959,916</b>            |
| <b>GROSS PROFIT INCLUDING<br/>OTHER REVENUES</b>        |      | <b>610,097,930</b>               | <b>2,202,037,795</b>          | <b>865,732,566</b>               | <b>3,086,251,870</b>          |
| <b>SELLING, GENERAL AND<br/>ADMINISTRATIVE EXPENSES</b> | 14   | <b>(573,609,248)</b>             | <b>(1,760,541,516)</b>        | <b>(671,370,512)</b>             | <b>(2,245,939,319)</b>        |
| <b>OPERATING PROFIT</b>                                 |      | <b>36,488,682</b>                | <b>441,496,279</b>            | <b>194,362,054</b>               | <b>840,312,551</b>            |
| <b>FINANCE INCOME (COSTS)</b>                           |      |                                  |                               |                                  |                               |
| Finance costs                                           | 15   | (175,043,099)                    | (429,127,408)                 | (135,172,808)                    | (405,229,335)                 |
| Finance income                                          | 5    | 463,288                          | 1,404,580                     | 994,796                          | 1,672,333                     |
| Other Gains                                             | 12   |                                  |                               | 19,280,846                       | 19,280,847                    |
|                                                         |      | <b>(174,579,811)</b>             | <b>(427,722,828)</b>          | <b>(114,897,166)</b>             | <b>(384,276,155)</b>          |
| <b>PROFIT BEFORE TAX</b>                                |      | <b>(138,091,129)</b>             | <b>13,773,451</b>             | <b>79,464,888</b>                | <b>456,036,396</b>            |
| <b>TAX EXPENSE (INCOME)</b>                             | 17   |                                  |                               |                                  |                               |
| Current                                                 |      | (12,294,617)                     | (44,321,672)                  | (17,513,611)                     | (62,059,504)                  |
| Deferred                                                | 8    | –                                | (5,939,090)                   | (2,352,611)                      | (51,949,595)                  |
|                                                         |      | <b>(12,294,617)</b>              | <b>(50,260,762)</b>           | <b>(19,866,222)</b>              | <b>(114,009,099)</b>          |
| <b>NET PROFIT (LOSS)</b>                                |      | <b>(150,385,746)</b>             | <b>(36,487,311)</b>           | <b>59,598,666</b>                | <b>342,027,297</b>            |
| <b>OTHER COMPREHENSIVE<br/>INCOME</b>                   |      | <b>–</b>                         | <b>–</b>                      | <b>–</b>                         | <b>–</b>                      |
| <b>TOTAL COMPREHENSIVE<br/>INCOME (LOSS)</b>            |      | <b>(P150,385,746)</b>            | <b>(36,487,311)</b>           | <b>P59,598,666</b>               | <b>P342,027,297</b>           |
| Basic and Diluted earnings (loss) per<br>share          |      | <b>(P0.04)</b>                   | <b>(P0.01)</b>                | <b>P0.02</b>                     | <b>P0.09</b>                  |

See accompanying Notes to Financial Statements.



**AllHome Corp.**  
**Statements of Changes in Equity**  
**For the nine months ended September 30, 2025 and 2024**  
*(Amounts in Philippine Peso)*

|                                   | Note | Unaudited<br>Sept 30, 2025 | Unaudited<br>Sept 30, 2024 |
|-----------------------------------|------|----------------------------|----------------------------|
| <b>CAPITAL STOCK</b>              | 19   | <b>₱3,750,000,002</b>      | ₱3,750,000,002             |
| <b>ADDITIONAL PAID-IN CAPITAL</b> | 19   | <b>7,209,298,114</b>       | 7,209,298,114              |
| <b>REVALUATION RESERVES</b>       | 19   | <b>53,067,226</b>          | (13,052,353)               |
| <b>RETAINED EARNINGS</b>          |      |                            |                            |
| Balance at beginning of period    |      | 5,254,365,437              | 4,969,441,278              |
| Net profit (loss) for the period  |      | <b>(36,487,311)</b>        | 342,027,297                |
| Balance at end of period          |      | <b>5,217,878,123</b>       | 5,311,468,575              |
| <b>TOTAL EQUITY</b>               |      | <b>₱16,230,243,466</b>     | ₱16,257,714,339            |



**AllHome Corp.**  
**Statements of Cash Flows**  
**For the nine months ended September 30, 2025 and**  
**2024 (Amounts in Philippine Peso)**

|                                                     | Notes   | Unaudited<br>Jul-Sept<br>Q3-2025 | Unaudited<br>Jan to Sept 2025 | Unaudited<br>Jul-Sept<br>Q3-2024 | Unaudited<br>Jan to Sept 2024 |
|-----------------------------------------------------|---------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |         |                                  |                               |                                  |                               |
| Profit before tax                                   |         | (P138,091,130)                   | P 13,773,450                  | P 79,464,888                     | P 456,036,396                 |
| Adjustments for:                                    |         |                                  |                               |                                  |                               |
| Losses due to fire                                  |         | -                                | -                             | -                                | -                             |
| Depreciation and amortization                       | 9       | 359,663,401                      | 1,103,339,789                 | 368,161,162                      | 1,097,523,303                 |
|                                                     | 12, 15, |                                  |                               |                                  |                               |
| Finance costs                                       | 16      | 175,043,099                      | 429,127,409                   | 135,172,808                      | 405,229,335                   |
| Gain on lease modification                          | 17      | -                                | -                             | (19,280,846)                     | (19,280,846)                  |
| Finance income                                      | 5       | (463,288)                        | (1,404,580)                   | (1,392,610)                      | (1,672,333)                   |
| Operating profit before working capital changes     |         | 396,152,082                      | 1,544,836,068                 | 562,125,402                      | 1,937,835,855                 |
| Decrease/(Increase) in:                             |         |                                  |                               |                                  |                               |
| Trade and other receivables                         |         | 160,153                          | 57,608,381                    | (190,192,079)                    | (202,711,069)                 |
| Inventories                                         |         | 267,022,353                      | 226,124,958                   | 22,485,592                       | 14,777,126                    |
| Other current assets                                |         | 337,434,899                      | 183,022,176                   | (66,276,187)                     | (21,798,640)                  |
| Increase/(Decrease) in:                             |         |                                  |                               |                                  |                               |
| Trade and other payables                            |         | (131,536,129)                    | 205,008,500                   | (101,147,426)                    | (50,671,740)                  |
| Retirement benefit obligation                       | 16      | 1,757,718                        | 5,273,154                     | 1,025,631                        | 9,230,676                     |
| Cash generated from operations                      |         | 870,991,076                      | 2,221,873,237                 | 228,020,933                      | 1,686,662,208                 |
| Cash paid for income taxes                          |         | (13,660,567)                     | (46,370,298)                  | (22,065,129)                     | (86,767,363)                  |
| <b>Net cash from Operating activities</b>           |         | <b>857,330,509</b>               | <b>2,175,502,939</b>          | <b>205,955,804</b>               | <b>1,599,894,845</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |         |                                  |                               |                                  |                               |
| Additions to property and equipment                 | 9       | (29,326,241)                     | (630,261,466)                 | (191,336,760)                    | (686,931,599)                 |
| Increase in other non-current assets                |         | 30,979,593                       | (17,844,060)                  | (5,372,744)                      | (48,899,511)                  |
| Interest received                                   |         | 463,288                          | 1,404,580                     | 1,392,610                        | 1,672,333                     |
| <b>Net cash used in Investing activities</b>        |         | <b>2,116,640</b>                 | <b>(646,700,946)</b>          | <b>(195,316,894)</b>             | <b>(734,158,777)</b>          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |         |                                  |                               |                                  |                               |
| Proceeds from availment of loans                    | 11      | 157,000,000                      | 2,862,457,749                 | 881,871,929                      | 2,413,452,414                 |
| Repayment of loans payable                          | 11      | (1,718,845,824)                  | (4,574,889,135)               | (583,641,161)                    | (2,234,470,073)               |
| Payments of principal portion of lease liability    | 12      | (126,762,369)                    | (387,397,590)                 | (261,065,820)                    | (504,222,249)                 |
| Interest paid for lease liabilities                 | 12      | (41,209,904)                     | (130,358,375)                 | (54,428,382)                     | (164,045,311)                 |
| Interest paid for loans payable                     | 11      | (139,441,163)                    | (389,232,114)                 | (79,368,160)                     | (237,055,231)                 |
| <b>Net cash (used in) from financing activities</b> |         | <b>(1,869,259,260)</b>           | <b>(2,619,419,465)</b>        | <b>(96,631,594)</b>              | <b>(726,340,450)</b>          |
| <b>NET DECREASE IN CASH</b>                         |         | <b>(1,009,812,110)</b>           | <b>(1,090,617,470)</b>        | <b>(85,992,684)</b>              | <b>139,395,618</b>            |
| <b>CASH AT BEGINNING OF PERIOD</b>                  |         | <b>1,276,772,691</b>             | <b>1,357,578,052</b>          | <b>1,882,883,458</b>             | <b>1,657,495,156</b>          |
| <b>CASH AT END OF PERIOD</b>                        |         | <b>P266,960,581</b>              | <b>P266,960,580</b>           | <b>P1,796,890,774</b>            | <b>P1,796,890,774</b>         |

See accompanying Notes to Financial Statements.

## **ALLHOME CORP. NOTES TO FINANCIAL STATEMENTS**

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### **1. Corporate Information**

#### ***1.1 Corporate Information***

AllHome Corp. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on May 29, 2013. The Company is primarily engaged in buying, selling, distributing, marketing, at wholesale and retail, of all kinds of goods, commodities, wares and merchandise.

The Company's shares were listed in the Philippine Stock Exchange (PSE) on September 27, 2019 (see Note 19.1).

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

The registered office address and principal place of business of the Company is located at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City. The registered office address and principal places of business of AllValue and FPI are located at 3rd Level Starmall Las Piñas, CV Starr Avenue, Philamlife Village, Pamplona, Las Piñas City.

#### ***1.2 Approval of Financial Statements***

The financial statements of the Company as of September 30, 2025 were authorized for issue by the Company's Board of Directors (BOD) on November 14, 2025. The Company's owners and BOD have the power to amend the financial statements after issuance.

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### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

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

#### ***2.1 Basis of Preparation of Financial Statements***

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

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

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

*(b) Presentation of Financial Statements*

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

*(c) Functional and Presentation Currency*

The financial statements are presented in Philippine peso (P), the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

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

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

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

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

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

Discussed below and on the succeeding page are the relevant information about these amendments.

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

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

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

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

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

## 2.3 *Financial Instruments*

### *(a) Financial Assets*

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

#### *(i) Classification and Measurement of Financial Assets*

The Company's financial assets include only financial assets at amortized cost and are presented in the statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables and Security deposits presented as part of Other Non-current Assets.

#### *(ii) Impairment of Financial Assets*

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade receivables and security deposits. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses impairment of trade receivables and security deposits on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due [see Note 22.2(b) and Note 22.2(c)].

### *(b) Financial Liabilities*

Financial liabilities include trade and other payables (except tax-related liabilities), lease liabilities and loans payable, are recognized when the Company becomes a party to the contractual terms of the instrument.

## 2.4 *Merchandise Inventories*

The cost of inventories is determined using the moving average method.

For purposes of identifying the net realizable value, the Company opted to group inventory items relating to the same product line that have similar purposes, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line

## 2.5 *Property and Equipment*

Property and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation, amortization and any impairment in value.

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

|                                          |                |
|------------------------------------------|----------------|
| Store equipment                          | 15 to 18 years |
| Right-of-use assets – store outlets      | 7 to 15 years  |
| Furniture, fixtures and office equipment | 5 to 15 years  |
| Right-of-use assets – warehouse          | 2 years        |
| Transportation equipment                 | 8 to 10 years  |

Leasehold improvements are amortized over their estimated useful lives of 18 years or the lease term, whichever is shorter.

## **2.6 Revenue and Expense Recognition**

Revenue arises mainly from the sale of merchandise.

The Company enters into transactions involving the sale and delivery of merchandise representing construction materials, home improvement, furnishings and décor products. In addition, the Company also recognizes vendors' support and marketing fees in relation to the vendors' participation in the marketing/promotional activities of the Company.

The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(c). The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the goods transfers to the customer. As a matter of accounting policy, when applicable, if the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

The Company also assesses its revenue agreements against the specific criteria enumerated below in order to determine if it is acting as principal or agent. Both the legal form and the substance of the agreement are considered to determine each party's respective roles in the agreement. In all revenue agreements, the Company is acting as a principal. Revenue is recorded at gross when acting as a principal while only net revenues are considered if only an agency service exists.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

- (a) *Sale of merchandise* – Revenue is recognized when the control transfers at a point in time with the customer, i.e., generally when the customer purchased the merchandise. For individual customers, payment of the transaction price is due immediately at the point the customer purchases the merchandise. On the other hand, invoices for merchandise purchased by corporate customers are due based on agreed terms and are provided upon receipt of merchandise by the customer. For e-commerce sales, revenue is recognized when control of goods have been transferred to the customer, being the point when the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.
- (b) *Vendors' support and marketing fees* – Vendors' support and marketing fees arise from the vendors' participation in the marketing/promotional activities of the Company such as product exhibits, launch of new stores support and product features in various media platforms. The duration of contracts are generally short-term, and the related revenue are recognized over time as the performance of the contractually agreed tasks are rendered.

- (c) *Delivery fees* – Delivery fees are charged for the transportation of merchandise from the Company's stores to a certain destination as agreed with the customer. Delivery fees are recognized over time as the services are provided. Payment of delivery fees is due immediately, i.e., upon the customer's purchase of merchandise.
- (d) *Miscellaneous* – Miscellaneous income comprise of support received from supplier for store opening and clearance sales. Miscellaneous income is recognized at a point in time when support is received from the supplier.

As applicable, if the Company is required to refund the related purchase price for returned goods, it recognizes an outflow of cash or a reduction in trade receivables with a corresponding adjustment on the amount of revenue recognized during the reporting period. Also, the Company recognizes a right of return asset on the goods to be recovered from the customers with a corresponding adjustment to Cost of Merchandise Sold. However, there were no contracts containing significant right of return arrangements which remain outstanding during the reporting periods since the Company's policy with customers for most of its sale of merchandise pertain to outright return which are recognized immediately. Relative to this outright return arrangement, the amount of revenue is also immediately adjusted as of the end of the reporting periods.

Under the Company's standard contract terms for sale to customers, only goods found to be shoddy or defective shall be honored for return. The right of return is not a separate performance obligation and is not considered in establishing the transaction price since right of return entitles the customer to exchange the product bought for another product of the same type, quality, condition and price.

The Company operates a customer loyalty incentive program where individual customers accumulate points for purchases made which entitle them for award credits on future purchases. The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The stand-alone selling price is estimated based on the equivalent value given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Company's historical experience. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(c).

A liability is recognized for revenue relating to the loyalty points at the time of the initial sales transactions. Revenue from loyalty points are recognized when the points are redeemed by the customer. Revenue from loyalty points that are not expected to be redeemed by the customer is recognized in proportion to the pattern of rights exercised by customers.

In obtaining customer contracts, the Company incurs incremental costs. As the expected amortization period of these costs, if capitalized, would be less than one year, the Company uses the practical expedient in PFRS 15 and expenses such costs as incurred.

## 2.7 *Leases*

The Company accounts for its leases as follows:

### (a) *Company as Lessee*

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is from 2 to 15 years, inclusive of

reasonably certain extension period.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, Right-of-use Assets and Lease Liabilities have been presented under Property and Equipment, and separately from Other Liabilities, respectively.

*(b) Company as Lessor*

The Company applies judgment in determining whether a lease contract is a finance or operating lease.

## **2.8      *Impairment of Non-financial Assets***

The Company's property and equipment and other non-financial assets are subject to impairment testing.

## **2.9      *Employee Benefits***

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

The Company's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory and administered by a trustee.

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

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## **3. Significant Accounting Judgments and Estimates**

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

### **3.1      *Critical Management Judgments in Applying Accounting Policies***

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

*(a) Determination of Lease Term of Contracts with Renewal and Termination Options*

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option

or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not

terminated and the renewal of the contract is not subject to mutual agreement of both parties.

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

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

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

*(b) Determination of Timing of Satisfaction of Performance Obligations*

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

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

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

*(c) Determination of Transaction Price of Contract with Customer*

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

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

*(d) Determination of ECL on Trade and Other Receivables and Security Deposits*

The Company uses a provision matrix to calculate ECL for trade and other receivables and security deposits.

The provision rates are based on days past due for groupings of various customer segments to the extent applicable that have similar loss patterns (i.e., by geography, product type, or customer type and rating).

The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables and security deposits are disclosed in Note 22.2(b) and Note 22.2(c).

*(e) Capitalization of Borrowing Costs*

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

*(f) Recognition of Provisions and Contingencies*

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

Judgment is exercised by management to distinguish between provisions and contingencies.

Disclosure of provisions and contingencies are discussed in Note 21.

**3.2 Key Sources of Estimation Uncertainty**

Presented below and in the succeeding pages are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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

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

*(b) Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 22.2(b) and Note 22.2(c).

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

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

*(d) Estimation of Useful Lives of Property and Equipment and Right-of-use Assets*

The Company estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available-for-use. The estimated useful lives of property and equipment and right-of-use assets 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.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Note 9. Based on management's assessment as at September 30, 2025 and December 31, 2024, there is no change in estimated useful lives of property and equipment and right-of-use assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

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

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate

the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management has assessed that no impairment losses are required to be recognized on non-financial assets in 2025, 2024 and 2023.

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

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will

be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as of September 30, 2025 and 2024 will be fully utilized in the coming years. The carrying values of deferred tax assets netted against deferred tax liabilities as of those reporting periods are disclosed in Note 17.

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

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

The amounts of post-employment benefit obligation and expense, and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 16.

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**4. Segment Reporting**

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

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

The Company has only one reportable segment, which is the trading business. Further, the Company has only one geographical segment as all its operations are based in the Philippines. The revenue of the Company consists mainly of sales to external customers through its retail and e-commerce channels. The Company has no significant customer which contributed to 10% or more to the revenue of the Company.

## 5. Cash

Cash includes the following components:

|               | Unaudited<br>Sept 30, 2025 | Audited<br>Dec 31, 2024 |
|---------------|----------------------------|-------------------------|
| Cash in banks | P 261,070,581              | P 1,351,778,051         |
| Cash on hand  | 5,890,000                  | 5,800,000               |
|               | <u>P266,960,581</u>        | <u>P 1,357,578,051</u>  |

Cash in banks generally earn interest at rates based on daily bank deposit rates.

Finance income on these bank deposits for the nine months ended September 30, 2025 and 2024, amounted to P1.4 million and P1.7 million, respectively.

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## 6. Trade and Other Receivables - net

This account is composed of the following:

|                                  | Note | Unaudited<br>Sept 30, 2025 | Audited<br>Dec 31, 2024 |
|----------------------------------|------|----------------------------|-------------------------|
| Trade receivables- third parties |      | P373,754,655               | P439,451,751            |
| Non-trade receivables            |      | 664,662,276                | 656,174,658             |
| Others                           | 18   | 730,411                    | 1,129,315               |
|                                  |      | <u>1,039,147,342</u>       | <u>1,096,755,724</u>    |
| Allowance for impairment losses  |      | <u>(22,393,924)</u>        | <u>(22,393,924)</u>     |
|                                  |      | <u>P1,016,753,418</u>      | <u>P1,074,361,800</u>   |

Trade receivables are due from various customers and have credit terms ranging from 30 days to 60 days. The carrying amounts of the receivables are considered a reasonable approximation of fair values due to their short duration.

Non-trade receivables comprise of the Company's receivables from suppliers arising from vendors' support, marketing fees, miscellaneous income. A related party agreement amounting to 125.2 million arising from pretermination of leasehold improvement is also part of the non-trade receivable as of September 30, 2025.

Others pertain to accrued interest receivable from short-term placements.

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## 7. Merchandise Inventories

Merchandise inventories pertain to goods owned by the Company, which include construction materials, home improvements, furnishings and décor products, among others, that are traded under the normal course of business, and amounted to P7,215.2 million and P7,441.4 million as of September 30, 2025 and December 31, 2024, respectively. The Company did not provide any allowance for inventory obsolescence as the merchandise inventories are deemed saleable. Merchandise inventories were all stated at cost, which is lower than net realizable value, as of September 30, 2025 and December 31, 2024.

Cost of merchandise inventories charged to operations are presented as Cost of Merchandise Sold in the statements of comprehensive income (see Note 14.1).

## 8. Other Assets

The composition of this account is shown below:

|                                        | Note | Unaudited<br>September 30, 2025 | Audited<br>Dec 31, 2024 |
|----------------------------------------|------|---------------------------------|-------------------------|
| Current:                               |      |                                 |                         |
| Advances for purchases                 |      | ₱3,159,878,236                  | ₱3,333,658,871          |
| Short-term placements                  |      | 0                               | 80,000,000              |
| Prepaid rent                           |      | 82,885,398                      | 75,252,156              |
| Deferred input value-added taxes (VAT) |      | 2,101,720                       | 3,556,757               |
| Others                                 |      | 227,764,084                     | 163,183,829             |
|                                        |      | <u>3,472,629,438</u>            | <u>3,655,651,613</u>    |
| Non-current:                           |      |                                 |                         |
| Advances to contractors                |      | 247,025,314                     | 199,492,535             |
| Materials and supplies                 | 9    | 265,020,129                     | 280,758,289             |
| Security deposit                       |      | 242,536,838                     | 240,749,237             |
|                                        |      | <u>754,582,280</u>              | <u>721,000,061</u>      |
|                                        |      | <u>₱4,227,211,717</u>           | <u>₱4,376,651,674</u>   |

Advances for purchases pertain to payments made to various third party suppliers which are primarily used in the purchase of merchandise inventories subsequent to September 30, 2025 and 2024.

Prepaid rent pertains to advance payment for the rental of new stores in accordance with the lease agreements.

Materials and supplies pertain to construction materials intended for store fit-out. In 2025, certain construction materials and supplies under Non-current Assets amounting to P15.74 million, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Note 9).

Security deposits include deposits made to lessors arising from the lease of retail spaces which will be refunded at the end of the lease term or be applied to the last months' rentals on the related contracts and deposits made to a distribution utility as a guarantee for the electric meters installed in the Company's stores.

Advances to contractors pertain to mobilization funds made to various contractors for the repairs and maintenance and/or construction of several items under property and equipment.

Others consist of prepaid taxes and licenses, repairs, supplies, insurance, advertising, and dues and subscriptions.

## 9. Property and Equipment

The roll forward analyses of this account are as follows:

|                                                                                    | Store<br>Equipment    | Furniture,<br>Fixtures and<br>Office<br>Equipment | Transportation<br>Equipment | Leasehold<br>Improvement | Right-of-use<br>Assets | Construction-<br>in-Progress | Total                  |
|------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------|-----------------------------|--------------------------|------------------------|------------------------------|------------------------|
| Balance at January 1, 2025,<br>net of accumulated<br>depreciation and amortization | ₱2,550,257,947        | ₱1,017,811,864                                    | ₱45,445,648                 | ₱7,049,206,621           | ₱1,954,762,244         | ₱88,043,563                  | ₱12,705,527,887        |
| Additions - Other property and<br>Equipment                                        | 21,866,867            | 117,011,424                                       | —                           | 390,358,996              | —                      | 180,827,415                  | 710,064,702            |
| Disposals (Note 21)                                                                | —                     | —                                                 | —                           | —                        | —                      | —                            | —                      |
| Reclassification                                                                   | —                     | —                                                 | —                           | —                        | —                      | —                            | —                      |
| Lease modifications (Note 12)                                                      | —                     | —                                                 | —                           | —                        | —                      | —                            | —                      |
| Depreciation and amortization<br>changes for the period                            | (176,631,602)         | (196,458,204)                                     | (7,861,278)                 | (379,687,521)            | (342,701,184)          | —                            | (1,103,339,789)        |
| <b>Balance at September 30,<br/>2025, net of accumulated<br/>depreciation</b>      | <b>₱2,395,493,212</b> | <b>₱938,365,084</b>                               | <b>₱37,584,370</b>          | <b>₱7,059,878,096</b>    | <b>₱1,612,061,061</b>  | <b>₱268,870,978</b>          | <b>₱12,312,252,801</b> |
|                                                                                    |                       |                                                   |                             |                          |                        |                              |                        |
|                                                                                    | Store<br>Equipment    | Furniture,<br>Fixtures and<br>Office<br>Equipment | Transportation<br>Equipment | Leasehold<br>Improvement | Right-of-use<br>Assets | Construction-<br>in-Progress | Total                  |
| Balance at January 1, 2024,<br>net of accumulated<br>depreciation and amortization | ₱2,365,965,726        | ₱1,131,681,676                                    | ₱57,786,419                 | ₱6,914,129,983           | ₱2,554,116,745         | ₱93,059,039                  | ₱13,116,739,588        |
| Additions - Other property and<br>Equipment                                        | 405,961,029           | 151,819,393                                       | 1,578,065                   | —                        | —                      | 730,069,469                  | 1,289,427,956          |
| Disposals (Note 21)                                                                | —                     | —                                                 | —                           | 735,084,945              | —                      | (735,084,945)                | —                      |
| Reclassification                                                                   | —                     | —                                                 | —                           | (125,216,997)            | —                      | —                            | (125,216,997)          |
| Lease modifications (Note 12)                                                      | —                     | —                                                 | —                           | —                        | (120,874,763)          | —                            | (120,874,763)          |
| Depreciation and amortization<br>changes for the period                            | (221,668,808)         | (265,689,205)                                     | (13,918,836)                | (474,791,310)            | (478,479,738)          | —                            | (1,454,547,897)        |
| Balance at December 31, 2024,<br>net of accumulated<br>depreciation                | <b>₱2,550,257,947</b> | <b>₱1,017,811,864</b>                             | <b>₱45,445,648</b>          | <b>₱7,049,206,621</b>    | <b>₱1,954,762,244</b>  | <b>₱88,043,563</b>           | <b>₱12,705,527,887</b> |

Construction in Progress pertains to accumulated costs incurred on the construction of new stores/stores refurbishment, and capitalized repair and maintenance. Other than the remaining capital expenditures, there are no other capital commitments relating to the ongoing projects.

The Company's right-of-use assets pertain to store and warehouse facilities with terms ranging from 2 to 15 years, inclusive of reasonably certain extension period [refer also to Note 3.1(a)], and an average remaining lease term ranging from 1 to 9 years as of December 31, 2024 (see Note 12). In addition, there are leases with extension options and with variable consideration. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company.

The Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. There are no leases with options to purchase or terminate. The Company has no low-value leases.

In 2024, the Company disposed of leasehold improvements with a total cost of P188.2 million and accumulated depreciation of P63.0 million, mainly due to the pretermination of a store outlet lease to facilitate new development plans by a related party under common ownership (see Note 12.1). As per agreement, the carrying amount of leasehold improvements amounting to P125.2 million will be reimbursed by the related party (see Note 18.2). The related receivable is presented as part of Non-trade receivables under Trade and Other Receivables in the 2024 statement of financial position (see Note 6). No gains or losses were recognized from this transaction.

In September 2025 and 2024, borrowing costs amounting to P95.5 million and P169.2 million respectively, based on capitalization rate ranging from 5.00% to 8.90% in 2025 and 2024 for specific borrowings in those years, were capitalized as part of Construction in Progress (see Note 11).]

The amount of depreciation and amortization is presented as part of General and Administrative Expenses in the statements of comprehensive income (see Note 14.2).

As of September 30, 2025 and December 31, 2024, the gross carrying amount of the Company's fully depreciated property and equipment that are still used in operations is P219.4 million and P204.2 million, respectively.

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

The Company also recognized rental income from its operating leases as lessor amounting to P2.6 million and P12.4 million in September 2025 and 2024 respectively, and is presented as part of Support, Fees, Rentals and Other Revenues in the statements of comprehensive income (see Note 13)

## 10. Trade and Other Payables

This account consists of:

|                    | Unaudited<br>September 30, 2025 | Audited<br>Dec 31, 2024 |
|--------------------|---------------------------------|-------------------------|
| Trade payables     | <b>₱1,057,375,668</b>           | ₱740,253,581            |
| Non-trade payables | <b>65,069,414</b>               | 157,012,487             |
| Accrued expenses   | <b>39,419,478</b>               | 54,493,791              |
| Others             | <b>5,700,960</b>                | 8,374,157               |
|                    | <b>₱1,167,565,520</b>           | ₱960,134,016            |

Trade payables arise from the Company's purchases of inventories and other direct costs. These are noninterest-bearing and have credit terms ranging from 30 to 60 days.

Non-trade payables arise from the Company's capital asset acquisitions and other operating expenditures not yet paid as of the end of the period.

Accrued expenses are liabilities arising from unpaid interest on loans, rent, utilities, salaries and other costs.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them for award credits on future purchases. In September 2025 and 2024, the Company recognized deferred revenue for the unredeemed points amounting to P3.7 million and P6.1 million, respectively, which is presented as part of Others.

## 11. Loans Payable

Loans payable are presented in the statements of financial position as follows:

|                                    | Unaudited<br>September 30, 2025 | Audited<br>Dec 31, 2024 |
|------------------------------------|---------------------------------|-------------------------|
| Current:                           |                                 |                         |
| Short-term loans                   | <b>1,242,463,682</b>            | ₱2,463,002,730          |
| Current portion of long-term loans | <b>1,142,607,662</b>            | 1,627,500,000           |
|                                    | <b>2,385,071,344</b>            | 4,090,502,730           |
| Non-current Long-term loans        | <b>2,223,150,000</b>            | 2,230,150,000           |
|                                    | <b>4,608,221,344</b>            | 6,320,652,730           |

### 11.1 Short-term Loans

The Company obtained short-term loans from various local banks for the Company's working capital requirements with fixed interest rates ranging from 5.00% to 9.75% in 2025 and 5.00% to 9.75% in 2024, and with terms of 150 to 360 days. The short-term loans in 2025 and 2024 are rolled over upon maturity. There are no loan covenants on the Company's short-term loans.

### 11.2 Long-term Loans

The Company obtained various long-term loans from local banks to partially finance the construction and expansion of the Company's stores and to refinance its existing loan obligation. These loans are subject to fixed interest rate ranging from 5.00% to 8.90% and payable in quarterly installments.

Certain loans of the Company with local banks are subject to compliance with loan covenants. The Company has to maintain a minimum current ratio of at least 1.00, maximum debt-to-equity ratio of not more than 2.50 and a minimum debt-service coverage ratio of at least 1.00. The ratios are computed on the basis of the Company's annual audited financial statements. The Company has complied with the loan covenants as of September 30, 2025 and December 31, 2024 (see Note 24).

The total finance costs attributable to all the loans of the Company amounted to P391.6 million and P482.8 million in 2025 and 2024, respectively. Of these amounts, portion charged as expense amounted to P296.1 million and P313.6 million in September 2025 and 2024, respectively, and is presented as part of Finance costs under Other Income (Charges) section of the statements of comprehensive income (see Note 15). The Company capitalized the interest on loans amounting to P95.5 million and P169.2 million in September 2025 and 2024, respectively, based on capitalization rate ranging from 5.00% to 8.90% in September 2025 and 2024 for specific borrowings in those periods, were included as part of construction in progress (see Note 9).

Interest payable from these loans amounted to P34.6 million and P32.2 million, as of September 30, 2025 and 2024 respectively, and is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Note 10). There were no assets used as collateral for any of the Company's loans.

## 12. Leases

The Company is a lessee under non-cancellable operating leases covering its store outlets and warehouse facilities (see Note 9). These lease contracts include extension and variable lease payments. With the exception of leases with variable consideration, each lease is reflected on the statements of financial position as a right-of-use asset presented under Property and Equipment and a lease liability presented separately from other liabilities.

The security deposits paid in connection with the leases amounting to P242.5 million and P240.7 million as of September 30, 2025 and December 31, 2024, respectively, is presented as Security deposits under Other Non-current Assets in the statements of financial position (see Note 8). Management believes that no allowance for ECL is required for security deposits since there has been no significant change in the credit quality of the accounts [see Note 22.2(c)].

### 12.1 Lease Liability

Lease liability is presented in the statement of financial position as of September 30, 2025 and December 31, 2024 as follows:

|             | Unaudited<br>September 30, 2025 | Audited<br>Dec 31, 2024 |      |
|-------------|---------------------------------|-------------------------|------|
| Current     | P518,606,031                    | P516,222,626            |      |
| Non-current | 1,771,929,206                   | 2,161,710,201           | 12.2 |
|             | <u>P2,290,535,237</u>           | <u>P2,677,932,827</u>   |      |

### Additional Profit or Loss

Expenses recognized for the period are as follows:

|                                             | Note | Unaudited<br>September 30, 2025 | Unaudited<br>September 30, 2024 |
|---------------------------------------------|------|---------------------------------|---------------------------------|
| Depreciation expense of right-of-use assets | 9    | P342,701,184                    | P369,436,344                    |

|                                       |      |                            |                            |
|---------------------------------------|------|----------------------------|----------------------------|
| Interest expense on lease liabilities | 15   | 130,358,375                | 164,045,307                |
| Variable lease payments               | 14.2 | 101,308,511                | 145,207,831                |
|                                       |      | <u><b>P574,368,069</b></u> | <u><b>P678,689,482</b></u> |

The total cash outflow in respect of leases, including payment in lease agreements that contain variable payment linked to sales as mentioned in Note 12.2, amounted to P574.4 and P678.7 million in September 30, 2025 and 2024 respectively.

### 13. Revenues

The Company's revenues arise from sale transactions with individual and corporate customers in the Philippines totaling to P5.6 billion and P7.8 billion for the nine-months period ended September 30, 2025 and 2024, respectively.

The disaggregation on revenue recognition for period ended September 30, 2025 is shown below:

|                                 | Point in time                | Over time                 | Total                        |
|---------------------------------|------------------------------|---------------------------|------------------------------|
| Sale of merchandise (Note 18.1) | P5,598,652,610               | P–                        | P5,598,652,610               |
| Vendors' support                | –                            | 69,593,323                | 69,593,323                   |
| Marketing fees                  | –                            | 3,136,523                 | 3,136,523                    |
| Delivery fees                   | –                            | 5,731,308                 | 5,731,308                    |
| Miscellaneous                   | 2,269,111                    | –                         | 2,269,111                    |
|                                 | <u><b>P5,600,921,721</b></u> | <u><b>P78,461,154</b></u> | <u><b>P5,679,382,875</b></u> |

This compares to the disaggregation on revenue recognition for period ended September 30, 2024 as follows:

|                                 | Point in time                | Over time                  | Total                        |
|---------------------------------|------------------------------|----------------------------|------------------------------|
| Sale of merchandise (Note 18.1) | P7,785,590,151               | P–                         | P7,785,590,151               |
| Vendors' support                | –                            | 110,595,808                | 110,595,808                  |
| Marketing fees                  | –                            | 5,242,597                  | 5,242,597                    |
| Delivery fees                   | –                            | 9,807,211                  | 9,807,211                    |
| Miscellaneous                   | 2,341,814                    | –                          | 2,341,814                    |
|                                 | <u><b>P7,787,931,965</b></u> | <u><b>P125,645,616</b></u> | <u><b>P7,913,577,581</b></u> |

The Company also recognized rental income from its operating lessor amounting to P2.6 million and P2.7 million in 2025 and 2024, respectively

Vendors' support, marketing fees, delivery fees, rentals and miscellaneous are presented as part of Support fees, rentals and other revenues account in the statements of comprehensive income.

Miscellaneous revenues represent supports received from suppliers for store opening and clearance sales.

### 14. Cost and Expenses

#### 14.1 Cost of Merchandise Sold

The details of cost of merchandise sold are shown below:

|                                    | Note | Unaudited<br>September 30, 2025 | Unaudited<br>September 30, 2024 |
|------------------------------------|------|---------------------------------|---------------------------------|
| Inventories at beginning of period | 7    | <b>P7,441,356,243</b>           | P7,279,106,747                  |
| Purchases during the period        |      | <b>3,258,466,868</b>            | 4,821,521,071                   |
| Cost of goods available for sale   |      | <b>10,699,823,111</b>           | 12,100,627,818                  |
| Inventories at end of period       | 7    | <b>7,215,231,285</b>            | 7,264,329,621                   |
|                                    |      | <b>P3,484,591,826</b>           | P4,836,298,197                  |

#### **14.2 Other Operating Expenses**

|                                       | Note | Unaudited<br>September 30, 2025 | Unaudited<br>September 30, 2024 |
|---------------------------------------|------|---------------------------------|---------------------------------|
| Depreciation and amortization         | 9    | <b>P1,103,339,789</b>           | P1,097,523,303                  |
| Salaries, wages and employee benefits | 16   | <b>209,520,685</b>              | 279,095,744                     |
| Outside services                      |      | <b>49,047,638</b>               | 174,851,130                     |
| Rentals                               | 12.2 | <b>101,308,511</b>              | 145,207,831                     |
| Communication and utilities           |      | <b>114,172,036</b>              | 287,394,536                     |
| Merchant fee                          |      | <b>45,874,585</b>               | 91,664,231                      |
| Taxes and licenses                    |      | <b>40,658,172</b>               | 56,016,013                      |
| Office and store supplies             |      | <b>6,978,529</b>                | 11,697,291                      |
| Repairs and maintenance               |      | <b>18,627,685</b>               | 24,334,725                      |
| Professional fees                     |      | <b>3,150,972</b>                | 8,316,685                       |
| Advertising and promotions            |      | <b>14,074,482</b>               | 12,163,107                      |
| Dues and subscriptions                |      | <b>9,322,752</b>                | 9,602,864                       |
| Transportation expense                |      | <b>12,548,832</b>               | 13,821,152                      |
| Insurance expense                     |      | <b>22,178,156</b>               | 15,909,048                      |
| Representation and entertainment      |      | <b>1,085,769</b>                | 4,127,469                       |
| Commission expense                    |      | <b>1,288,156</b>                | 3,488,407                       |
| Miscellaneous                         |      | <b>7,364,767</b>                | 10,725,783                      |
|                                       |      | <b>P1,760,541,516</b>           | P2,245,939,319                  |

### **15. Other Income (Charges)**

#### **15.1 Finance Costs**

Finance costs include the following:

|                               | Note | Unaudited<br>September 30,<br>2025 | Unaudited<br>September 30, 2024 |
|-------------------------------|------|------------------------------------|---------------------------------|
| Interest expense from:        |      |                                    |                                 |
| Lease liability               | 12.2 | <b>P130,358,375</b>                | P164,045,037                    |
| Loans payable                 | 11   | <b>296,112,890</b>                 | 237,054,139                     |
| Retirement benefit obligation | 16.2 | <b>2,655,314</b>                   | 4,128,797                       |
| Bank service charge           |      | <b>830</b>                         | 1,092                           |
|                               |      | <b>P429,127,409</b>                | P405,229,335                    |

### **16. Salaries, Wages and Employee Benefits**

Expenses recognized for salaries, wages and employee benefits in 2024 and 2023 are presented below.

**16.1 Salaries, Wages and Employee Benefits**

|                         | Note | Unaudited<br>September 30, 2025 | Unaudited<br>September 30, 2024 |
|-------------------------|------|---------------------------------|---------------------------------|
| Salaries and wages      |      | <b>₱169,387,427</b>             | ₱239,821,958                    |
| Post-employment benefit | 16.2 | <b>5,273,154</b>                | 9,230,676                       |
| Other employee benefits |      | <b>34,860,104</b>               | 30,043,111                      |
|                         |      | <b>₱209,520,685</b>             | ₱279,095,744                    |

**16.2 Post-employment Defined Benefit Plan***(a) Characteristics of the Defined Benefit Plan*

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

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

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

The most recent actuarial valuation dated April 8, 2025 was performed by a professionally qualified external actuary.

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

|                                           | Unaudited<br>September 30, 2025 | Audited<br>December 31, 2024 |
|-------------------------------------------|---------------------------------|------------------------------|
| Balance at beginning of the period        | <b>₱62,384,938</b>              | ₱127,398,117                 |
| Current service cost                      | <b>5,273,154</b>                | 19,776,377                   |
| Past Service Cost                         | —                               | —                            |
| Interest expense                          | <b>2,655,314</b>                | 7,620,687                    |
| Benefits paid from Company operating fund |                                 | (4,250,805)                  |
| Transferred liability                     | —                               | —                            |
| Actuarial losses (gains) arising from:    | —                               | —                            |
| Changes in demographic assumptions        |                                 | (46,250,294)                 |
| Experience adjustments                    |                                 | (42,177,198)                 |
| Changes in financial assumptions          |                                 | 268,054                      |
| Balance at the end of the period          | <b>₱70,313,406</b>              | ₱ 62,384,938                 |

The interest expense is included as part of Finance Costs under Finance Income (Costs) in the statements of comprehensive income (see Note 15).

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

In determining the amount of the retirement benefit obligation, the following

significant actuarial assumptions were used for the period ended September 30, 2025 and December 31, 2024:

|                                   |        |
|-----------------------------------|--------|
| Discount rate                     | 6.11%  |
| Expected rate of salary increases | 10.00% |

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 35 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

*(c) Risks Associated with the Retirement Plan*

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

*(i) Interest Rate Risk*

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

*(ii) Longevity and Salary Risks*

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

*(d) Other Information*

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

*(i) Sensitivity Analysis*

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

| <i>(Amounts in PHP)</i> | <b>Impact on Post-employment Defined Benefit Obligation</b> |                                      |                                      |
|-------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                         | <b><u>Change in Assumption</u></b>                          | <b><u>Increase in Assumption</u></b> | <b><u>Decrease in Assumption</u></b> |
| <b><u>2024:</u></b>     |                                                             |                                      |                                      |
| Discount rate           | +/- 1%                                                      | (6,445,395)                          | 7,539,623                            |
| Salary growth           | +/- 1%                                                      | 7,477,834                            | (6,522,105)                          |

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

end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the 2024 statement of financial position.

(ii) *Funding Arrangements and Expected Contributions*

The plan is currently unfunded by P[62.4] million based on the latest actuarial valuation. While there are no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk that the Company may be exposed to if several employees retire within the same year.

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

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

|                                  | <u>2024</u>                       |
|----------------------------------|-----------------------------------|
| Within five years                | <b>₱13,086,079</b>                |
| More than five years to 10 years | <b>39,575,823</b>                 |
| More than 10 years               | <u><b>335,756,789</b></u>         |
|                                  | <u><u><b>₱388,418,691</b></u></u> |

Management expects that a substantial portion of the undiscounted expected benefit payments is probable after 10 years from the end of the reporting period. The weighted average duration of the defined benefit obligation at the end of the reporting period is 14.15 years.

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## 17. Income Taxes

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

|                                                                                          | <u>Unaudited<br/>September 30, 2025</u> | <u>Unaudited<br/>September 30, 2024</u> |
|------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Regular corporate income tax (RCIT)                                                      | <b>(₱136,704,273)</b>                   | ₱23,816,281                             |
| Final tax at 20%                                                                         | <b>280,916</b>                          | 334,467                                 |
| Excess of minimum corporate income tax (MCIT) at 2% over RCIT                            | <u><b>180,745,030</b></u>               | <u>37,908,757</u>                       |
|                                                                                          | <b>44,321,673</b>                       | 62,059,504                              |
| Deferred tax expense relating to originating and reversal of other temporary differences | <u><b>5,939,089</b></u>                 | <u>51,949,595</u>                       |
|                                                                                          | <u><u><b>₱50,260,762</b></u></u>        | <u><u>₱114,009,099</u></u>              |

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

|                                                   | 30<br>Unaudited<br>September 30, 2025 | Unaudited<br>September 30, 2024 |
|---------------------------------------------------|---------------------------------------|---------------------------------|
| Tax on pretax profit at statutory rate            | P50,260,762                           | P114,009,099                    |
| Adjustment for income subjected to lower tax rate | (70,229)                              | (83,617)                        |
| Tax effects of non-deductible expense             | 70,229                                | 83,617                          |
| Tax expense                                       | P50,260,762                           | P114,009,099                    |

The Company is subject to the Minimum Corporate Income Tax (MCIT) as defined under the tax regulations, or RCIT, whichever is higher. The Company reported MCIT for the period ended September 30, 2025 and September 30, 2024.

The deferred tax liabilities as of September 30, 2025 and December 31, 2024 relate to the following:

| The                            | Statements of Financial Position |                              | Statements of Comprehensive Income |                                 |
|--------------------------------|----------------------------------|------------------------------|------------------------------------|---------------------------------|
|                                | Unaudited<br>September 30, 2025  | Audited<br>December 31, 2024 | Unaudited<br>September 30, 2025    | Unaudited<br>September 30, 2024 |
| Deferred tax assets:           |                                  |                              |                                    |                                 |
| Leases - PFRS 16               | P179,150,677                     | P189,089,359                 | P9,938,682                         | (P3,477,785)                    |
| Retirement obligation          | 13,556,669                       | 11,574,552                   | (1,982,117)                        | (2,307,669)                     |
| Impairment loss                | 5,961,115                        | 5,961,115                    | -                                  | -                               |
| Uncollected Income             | -                                | -                            | -                                  | -                               |
| Excess MCIT                    | 139,957,630                      | 78,454,884                   | -                                  | -                               |
| Reward liability               | 3,735,000                        | 1,525,769                    | -                                  | -                               |
|                                | 342,361,091                      | 286,605,679                  | 7,956,565                          | (1,170,116)                     |
| Deferred tax liabilities:      |                                  |                              |                                    |                                 |
| Depreciation                   | (702,636,205)                    | (663,324,044)                | 39,312,161                         | 20,039,886                      |
| Borrowing costs                | (289,250,505)                    | (266,868,166)                | 22,382,340                         | 68,648,349                      |
| Uncollected income             | (9,803,253)                      | (9,803,253)                  | -                                  | -                               |
|                                | (1,001,689,963)                  | (939,995,463)                | 61,694,501                         | 88,688,235                      |
| Deferred tax liabilities – net | (P659,328,872)                   | (P653,389,784)               | P69,651,066                        | P89,858,352                     |

Company claimed itemized deductions for 2025 and 2024 in computing for its income tax due.

## 18. Related Party Transactions

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

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

All individual material related party transactions shall be approved by at least

two-thirds (2/3) vote of the Company's board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the consolidated total assets based on the latest financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

The Company in their regular conduct of business has entered into transactions with related parties principally consisting of transactions from leasing, advances, reimbursement of expenses and sale of merchandise. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties

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## 19. Equity

### 19.1 Capital Stock

The details of the Company's capital stocks as of September 30, 2025 and December 31, 2024 are as follows:

|                                       | Unaudited September 30, 2025 |               | Audited Dec 31, 2024 |               |
|---------------------------------------|------------------------------|---------------|----------------------|---------------|
|                                       | No. of Shares                | Amount        | No. of Shares        | Amount        |
| <b>Authorized shares:</b>             |                              |               |                      |               |
| Common                                | 5,900,000,000                | 5,900,000,000 | 5,900,000,000        | 5,900,000,000 |
| Preferred                             | 1,000,000,000                | 100,000,000   | 1,000,000,000        | 100,000,000   |
| <b>Issued and outstanding shares:</b> |                              |               |                      |               |
| Common - Par value of P1 per share    | 3,750,000,002                | 3,750,000,002 | 3,750,000,002        | 3,750,000,002 |
| Balance at the end of the period      | 3,750,000,002                | 3,750,000,002 | 3,750,000,002        | 3,750,000,002 |

### 19.2 Additional Paid-In Capital

Additional paid-in capital consists of P7,209.3 million from the initial public offering in 2019, net of P665.7 million stock issuance costs incurred such as underwriting fees and commissions, taxes and filing fees (see Note 19.1).

### 19.3 Retained Earnings

In 2024, the Company's BOD approved the declaration of cash dividends amounting to P115.9 million (P0.0309 per share) on November 27, 2024, and payable to stockholders of record as of November 30, 2024. The cash dividends were settled on December 12, 2024.

### 19.4 Revaluation Reserves

The component and reconciliation of items under Revaluation Reserves account in the statement of financial position are shown below.

Unaudited  
September 30, 2025

Audited  
Dec 31, 2024

|                                                             |                    |               |
|-------------------------------------------------------------|--------------------|---------------|
|                                                             | 32                 |               |
| Balance at beginning of period                              | <b>₱53,067,226</b> | (₱13,052,353) |
| Remeasurement on post-employment defined benefit obligation | —                  | 88,159,438    |
| Tax expense                                                 | —                  | (22,039,860)  |
| Effect of the change in income tax rate                     | —                  | —             |
| Balance at the end of the period                            | <b>₱53,067,226</b> | ₱53,067,226   |

## 20. Earnings (Loss) Per Share

Earnings (loss) per share were computed as follows:

|                                                                 |                                         |                                         |
|-----------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
|                                                                 | <b>Unaudited<br/>September 30, 2025</b> | <b>Unaudited<br/>September 30, 2024</b> |
| Net (loss) profit                                               | <b>(₱36,487,311)</b>                    | ₱342,027,297                            |
| Divided by weighted average number of outstanding common shares | <b>3,750,000,002</b>                    | 3,750,000,002                           |
| Basic and diluted EPS                                           | <b>-₱0.01</b>                           | ₱0.09                                   |

The Company has no potential dilutive common shares as of September 30, 2025 and 2024.

## 21. Commitments and Contingencies

The significant commitments and contingencies involving the Company are presented below:

### 21.1 Legal Claims

The Company is a party to certain case from the normal course of business. The Company and its legal counsel believe that any eventual liabilities under this case will not have a material effect on the financial statements. Accordingly, no provision for probable losses arising from legal contingencies was recognized in the financial statements as of September 30, 2025 and 2024.

### 21.2 Others

There are other commitments, guarantees and contingent liabilities that may arise in the normal course of operations of the Company which are not reflected in the financial statements. As of September 30, 2025 and December 31, 2024, management is of the opinion that losses, if any, from these items will not have any material effect on the Company's financial statements, taken as a whole.

## 22. Risk Management Objectives and Policies

The Company is exposed to a variety of operational and financial risks in relation to financial instruments. The Company's risk management is coordinated with its parent company, in close cooperation with the Company's BOD.

The Company does not normally engage in the trading of financial assets for speculative purposes nor does it write options. The most significant operational and financial risks to which the Company is exposed to are described below.

### 22.1 Interest Rate Risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. In September 30, 2025 and 2024, the Company is exposed to changes in market interest rates through its cash in banks and short-term placements, which are subject to variable

interest rates.

Short-term bank loans, cash in banks and short-term placements which are subject to repricing are tested on a reasonably possible change (weighted average) of +/-1.86% and +/-1.42% Philippine peso in September 30, 2025 and 2024. On the other hand, the Company's exposure to foreign currency interest rate is insignificant. The percentages have been determined based on the average market volatility of interest rates, using standard deviation, in the previous 12 months estimated at 99% level of confidence.

The sensitivity analysis is based on the Company's financial instruments held at the end of each reporting period, with the effect estimated from the beginning of the year. All other variables are held constant.

On the other hand, the Company's long-term bank loans are subject to fixed rates ranging from 5.00% to 8.90% per annum in September 30, 2025 and 2024 (see Note 11).

## 222 *Credit Risk*

Credit risk is the risk that counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting receivables to customers and related parties, and placing deposits.

The Company continuously monitors defaults of other counterparties, identified individually, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

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

|                                   | <u>Notes</u> | <u>Sept 30, 2025</u>        | <u>Dec 31, 2024</u>         |
|-----------------------------------|--------------|-----------------------------|-----------------------------|
| Cash in banks                     | 4            | <b>261,070,581</b>          | 1,351,778,051               |
| Trade and other receivables - net | 6            | <b>1,016,753,418</b>        | 1,074,361,800               |
| Security deposits                 | 8, 12        | <b>242,536,838</b>          | 240,749,237                 |
| Short-term placements             | 8            | <u>-</u>                    | <u>80,000,000</u>           |
|                                   |              | <b><u>1,520,360,837</u></b> | <b><u>2,746,889,088</u></b> |

Except for cash in banks, none of the Company's financial assets are secured by collateral or other credit enhancements.

### (a) *Cash and Short-term Placements*

The credit risk for cash and short-term placements is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.5 million per depositor per banking institution, as provided for under Republic Act. No. 9576, *Amendment to Charter of Philippine Deposit Insurance Corporation*. Effective March 15, 2025, the PDIC increased the maximum coverage to P1.0 million per depositor per banking institution.

### (b) *Trade and Other Receivables*

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

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

The expected loss rates are based on the payment and aging profiles over a period of five years before September 30, 2025 and December 31, 2024, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified that the inflation rate and the Philippine gross domestic product in September 30, 2025 and 2024, respectively, were the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Company identifies a default when the receivables become credit-impaired or when the customer is not able to settle the receivables within the normal credit terms of 30 to 60 days, depending on the terms with customers; hence, these receivables were already considered as past due on its contractual payment. In addition, the Company considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty.

The table below summarizes the loss allowance of the Company based on the past due months of trade and non-trade receivables:

| <i>(Amounts in PHP)</i>    | <b>Not yet<br/>due/Within 1<br/>year</b> | <b>1 to 2 years</b> | <b>2 to 3 years</b> | <b>More than 3<br/>years</b> | <b>Total</b>  |
|----------------------------|------------------------------------------|---------------------|---------------------|------------------------------|---------------|
| <b>September 30, 2025:</b> |                                          |                     |                     |                              |               |
| Expected loss rate         | 0.00%                                    | 46.25%              | 61.40%              | 92.73%                       |               |
| Gross carrying amount      | 994,205,876                              | 37,430,554          | 3,887,871           | 2,892,629                    | 1,038,416,931 |
| Loss allowance             | –                                        | 17,321,621          | 2,388,448           | 2,683,855                    | 22,393,924    |
| <b>2024:</b>               |                                          |                     |                     |                              |               |
| Expected loss rate         | 0.00%                                    | 46.25%              | 61.40%              | 92.73%                       |               |
| Gross carrying amount      | 1,051,391,364                            | 37,450,865          | 3,889,981           | 2,894,199                    | 1,095,626,409 |
| Loss allowance             | –                                        | 17,321,621          | 2,388,448           | 2,683,855                    | 22,393,924    |

On the other hand, based on the analysis, there is no loss allowance provided as of September 30, 2025 and December 31, 2024, on the Company's non-trade receivables as the Company does not have any non-trade receivables which has been outstanding for more than three months. The Company's management continues to monitor counterparties default rates and macroeconomic factors affecting the counterparties' ability to settle the receivables. Management considers the credit quality of non-trade receivables that are not past due or impaired to be good.

(c) *Security Deposits*

The Company is not exposed to any significant credit risk exposure, since the counterparties are reputable lessors with sound liquid position. The Company can apply such deposits to future payments in case it defaults.

## 22.3 *Liquidity Risk*

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

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

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## 23. Categories and Fair Value Measurements

### 23.1 *Carrying Amounts and Fair Values Category*

The Company has no financial assets and financial liabilities carried at fair value.

For the Company's financial assets and liabilities carried at amortized cost as at September 30, 2025 and December 31, 2024, management considers that the carrying values of these financial instruments approximate their fair values either because these instruments are short-term in nature or the effect of discounting for those maturities of more than one year is not material, hence, no further comparison between the carrying amounts and fair values is presented.

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 22.

### **23.2 *Offsetting of Financial Assets and Financial Liabilities***

The Company has not set-off financial instruments in September 30, 2025 and 2024. For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between the Company and counterparties (i.e. related parties including parent company and companies under common ownership) allows for the net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

As of September 30, 2025 and December 31, 2024, the Company does not have any financial assets that may be potentially set-off against its outstanding liabilities to related parties.

### **23.3 *Fair Value Hierarchy***

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

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

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

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

There are no financial assets and financial liabilities measured at fair value as of September 30, 2025 and December 31, 2024. Neither was there transfers among fair value levels in those years.

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## **24. Capital Management Objectives, Policies and Procedures**

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

The Company manages the capital structure and makes adjustments to consider changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain

or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the ratios on its covenants with certain financial institutions. Capital for the reporting periods is summarized as follows:

|                      | Unaudited<br>Sept 30, 2025 | Audited<br>Dec 31, 2024 |
|----------------------|----------------------------|-------------------------|
| Total liabilities    | <b>P8,808,166,337</b>      | P10,688,744,880         |
| Total equity         | <b>16,230,243,466</b>      | 16,266,730,775          |
| Debt-to-equity ratio | <b>0.54 : 1:00</b>         | 0.66 : 1:00             |

## 25. Supplemental Information on Non-cash Activities

The following discusses the supplemental information on non-cash investing and financing activities as presented in the statements of cash flows for the years ended September 30, 2025 and December 31, 2024.

- In September 2025 and year 2024 the Company capitalized borrowing costs amounting to P95.5 million and P169.2 million respectively, to property and equipment (see Notes 9 and 11).
- In September 2025 and year 2024 , the Company has unpaid interest arising from loans payable amounting to P34.6 million and P32.2 million respectively, which is presented as part of Accrued expenses under Trade and

Other Payables in the statements of financial position (see Notes 10 and 11).

- In September 2025 and year 2024 , certain construction materials and supplies under Non-current Assets amounting to P15.7 million and P9.4 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Notes 8 and 9).
- In 2024, the Company pre-terminated one of its lease contracts which resulted in the derecognition of right-of-use asset and lease liability with remaining carrying amounts of P120.9 million and P140.2 million, respectively, and recognition of gain on lease pre-termination amounting to P19.3 million (see Notes 9 and 12).
- In 2024, the Company disposed of leasehold improvements with a total cost of P188.2 million and accumulated depreciation of P63.0 million, mainly due to the pretermination of a store outlet lease to facilitate new development plans by a related party under common ownership (see Note 12.1). As per agreement, the carrying amount of leasehold improvements amounting to P125.2 million will be reimbursed by the related party (see Note 18.2). The related receivable is presented as part of Non-trade receivables under Trade and Other Receivables in the 2024 statement of financial position (see Note 6). No gains or losses were recognized from this transaction.
- In 2024, certain advances to contractors under Non-current Assets amounting to P10.7 million were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Notes 8 and 9).

**ALLHOME CORP.****Supplemental Schedule of Financial Soundness Indicators**

September 30, 2025 and September 30, 2024

| Ratio                        | Formula                                                                                                            | 2025    | Formula                                                                                                            | 2024  |
|------------------------------|--------------------------------------------------------------------------------------------------------------------|---------|--------------------------------------------------------------------------------------------------------------------|-------|
| Current ratio                | Total Current Assets divided by Total Current Liabilities                                                          | 2.93    | Total Current Assets divided by Total Current Liabilities                                                          | 2.51  |
|                              | Total Current Assets ₱11,971,574,721                                                                               |         | Total Current Assets ₱13,522,993,355                                                                               |       |
|                              | Divide by:                                                                                                         |         | Divide by:                                                                                                         |       |
|                              | Total Current Liabilities 4,083,444,854                                                                            |         | Total Current Liabilities 5,383,549,911                                                                            |       |
|                              | Current Ratio 2.93                                                                                                 |         | Current Ratio 2.51                                                                                                 |       |
| Acid test ratio              | Quick Assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities | 0.31    | Quick Assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities | 0.50  |
|                              | Total Current Assets ₱11,971,574,721                                                                               |         | Total Current Assets ₱13,522,993,355                                                                               |       |
|                              | Less: Merchandise Inventories (7,215,231,285)                                                                      |         | Less: Merchandise Inventories (7,264,329,621)                                                                      |       |
|                              | Other Current Assets (3,472,629,438)                                                                               |         | Other Current Assets (3,568,690,406)                                                                               |       |
|                              | Quick Assets 1,283,713,999                                                                                         |         | Quick Assets 2,689,973,327                                                                                         |       |
|                              | Divide by:                                                                                                         |         | Divide by:                                                                                                         |       |
|                              | Total Current Liabilities 4,083,444,853                                                                            |         | Total Current Liabilities 5,383,549,911                                                                            |       |
|                              | Acid Test Ratio 0.31                                                                                               |         | Acid Test Ratio 0.50                                                                                               |       |
| Solvency ratio               | Total Liabilities divided by Total Assets                                                                          | 0.35    | Total Liabilities divided by Total Assets                                                                          | 0.40  |
|                              | Total Liabilities ₱8,808,166,337                                                                                   |         | Total Liabilities ₱10,820,955,830                                                                                  |       |
|                              | Divide by: Total Assets 25,308,409,802                                                                             |         | Divide by: Total Assets 27,078,670,167                                                                             |       |
|                              | Solvency Ratio 0.35                                                                                                |         | Solvency Ratio 0.40                                                                                                |       |
| Debt-to-equity ratio         | Total Liabilities divided by Total Equity                                                                          | 0.54    | Total Liabilities divided by Total Equity                                                                          | 0.67  |
|                              | Total Liabilities ₱8,808,166,337                                                                                   |         | Total Liabilities ₱10,820,955,830                                                                                  |       |
|                              | Divide by: Total Equity 16,230,243,466                                                                             |         | Divide by: Total Equity 16,257,714,339                                                                             |       |
|                              | Debt-to-Equity Ratio 0.54                                                                                          |         | Debt-to-Equity Ratio 0.67                                                                                          |       |
| Asset-to-equity ratio        | Total Assets divided by Total Equity                                                                               | 1.54    | Total Assets divided by Total Equity                                                                               | 1.67  |
|                              | Total Assets ₱ 25,308,409,802                                                                                      |         | Total Assets ₱27,078,670,167                                                                                       |       |
|                              | Divide by: Total Equity 16,230,243,466                                                                             |         | Divide by: Total Equity 16,257,714,339                                                                             |       |
|                              | Asset-to-equity ratio 1.54                                                                                         |         | Asset-to-equity ratio 1.67                                                                                         |       |
| Interest rate coverage ratio | Earnings before interest and taxes (EBIT) divided by Interest Expense                                              | 1.03    | Earnings before interest and taxes (EBIT) divided by Interest Expense                                              | 2.12  |
|                              | EBIT ₱441,496,280                                                                                                  |         | EBIT ₱859,593,398                                                                                                  |       |
|                              | Divide by: Interest Expense 429,127,409                                                                            |         | Divide by: Interest Expense 405,229,335                                                                            |       |
|                              | Interest Coverage Ratio 1.03                                                                                       |         | Interest Coverage Ratio 2.12                                                                                       |       |
| Return on equity             | Net Profit divided by Total Equity                                                                                 | (0.002) | Net Profit divided by Total Equity                                                                                 | 0.021 |
|                              | Net Profit (₱36,487,311)                                                                                           |         | Net Profit ₱342,027,297                                                                                            |       |
|                              | Divide by: Total Equity 16,230,243,466                                                                             |         | Divide by: Total Equity 16,257,714,339                                                                             |       |
|                              | Return on equity (0.002)                                                                                           |         | Return on equity 0.021                                                                                             |       |
| Return on assets             | Net Profit divided by Total Assets                                                                                 | (0.001) | Net Profit divided by Total Assets                                                                                 | 0.013 |
|                              | Net Profit (₱36,487,311)                                                                                           |         | Net Profit ₱342,027,297                                                                                            |       |
|                              | Divide by: Total Assets ₱ 25,308,409,802                                                                           |         | Divide by: Total Assets 27,078,670,167                                                                             |       |
|                              | Return on assets (0.001)                                                                                           |         | Return on assets 0.013                                                                                             |       |
| Net profit margin            | Net profit divided by Total Revenue                                                                                | (0.01)  | Net profit divided by Total Revenue                                                                                | 0.04  |
|                              | Net Profit (₱36,487,311)                                                                                           |         | Net Profit ₱342,027,297                                                                                            |       |
|                              | Divide by: Total Revenue 5,598,652,610                                                                             |         | Divide by: Total Revenue 7,785,590,151                                                                             |       |
|                              | Net Profit Margin (0.01)                                                                                           |         | Net Profit Margin 0.04                                                                                             |       |



## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **REVIEW OF NINE MONTHS END 2025 VS NINE MONTHS END 2024**

#### **RESULTS OF OPERATIONS**

**Nine months ended September 30, 2025 compared to Nine months ended September 30, 2024**

##### **Sales**

The company recorded sales of ₱5,598.6 million for the nine months ended September 30, 2025, a decrease of about 28% from ₱7,785.6 million for the nine months ended September 30, 2024. The decline was chiefly attributed to a subdued property market, which has historically been a significant driver of construction and furnishing-related expenditure.

##### **Cost of Merchandise Sold**

For the nine months ended September 30, 2025, cost of merchandise sold was at ₱3,485.0 million, a decrease of 28% from the ₱4,836.2 million for the same period in 2024 corresponding to the decrease in sales.

##### **Support, Fees, Rentals and Other Revenues**

Support, Fees, Rentals and Other Revenues decreased by 36% from ₱137.0 million for the nine months ended September 30, 2024 to ₱88.0 million for the nine months ended September 30, 2025, primarily due to the decrease in sales which is generally the basis for vendor incentives and support.

##### **Selling, General and Administrative Expenses**

Selling, General and Administrative Expenses decreased by 22% to ₱1,761.0 million for the nine months ended September 30, 2025 from ₱2,246.0 million for the same period in 2024, primarily due to the following reasons:

- Increase in depreciation and amortization from ₱1,097.5 million in September 30, 2024 to ₱1,103.3 million in September 30, 2025 attributed to the amortization of various capitalized refurbishment costs incurred in prior periods.
- Decrease in salaries, wages, and employee benefits from ₱279.1 million in September 30, 2024 to ₱210.0 million in September 30, 2025 due to strategic rationalization of store workforce deployment as well as central support personnel.
- Decrease in outside services from ₱174.8 million in September 30, 2024 to ₱49.0 million in September 30, 2025 due to strategic rationalization of store workforce deployment.
- Decrease in rentals from ₱145.2 million in September 30, 2024 to ₱101.3 million in September 30, 2025 due to lower sales which is the basis for the rental computation.

- Decrease in communication and utilities from ₱287.4 million in September 30, 2024 to ₱114.1 million in September 30, 2025 due to the implementation of cost-saving measures.
- Decrease in merchant fee from ₱91.6 million in September 30, 2024 to ₱46.0 million in September 30, 2025 due to decrease in debit/credit card and installment sales for the period.
- Decrease in taxes and licenses from ₱56.0 million in September 30, 2024 to ₱40.7 million in September 30, 2025 due to decrease in sales which results to lower tax base computation.
- Increase in repairs and maintenance from ₱24.3 million in September 30, 2024 to ₱18.6 million in September 30, 2025 due to the implementation of cost-saving measures.
- Decrease in office and store supplies from ₱11.7 million in September 30, 2024 to ₱7.0 million in September 30, 2025 due primarily to cost-saving initiatives.
- Decrease in professional fees from ₱8.3 million in September 30, 2024 to ₱3.1 million in September 30, 2025 due to timing engagement for audit fees, BOD fees, and consultancy fees.
- Increase in advertising and promotions from ₱12.2 million in September 30, 2024 to ₱14.1 million in September 30, 2025 due to various sales campaigns.
- Decrease in dues and subscriptions from ₱9.6 million in September 30, 2024 to ₱9.3 million in September 30, 2025 due to the implementation of cost-saving measures.
- Decrease in transportation expense from ₱13.8 million in September 30, 2024 to ₱12.5 million in September 30, 2025 due to improved processes in distribution centers including the strategic scheduling of store deliveries, and optimal usage of store warehouses that lessen the frequency of delivery trips from distribution centers to stores.
- Increase in insurance expense from ₱15.9 million in September 30, 2024 to ₱22.2 million in September 30, 2025 due to adjustment in rates and coverages.
- Decrease in representation and entertainment from ₱4.1 million in September 30, 2024 to ₱1.1 million in September 30, 2025 due to the implementation of cost-saving measures.
- Decrease in commission expense from ₱3.5 million in September 30, 2024 to ₱1.3 million in September 30, 2025 due to decrease in commissioned sales.
- Decrease in miscellaneous expense from ₱10.7 million in September 30, 2024 to ₱7.3 million in September 30, 2025 due to the implementation of cost-saving measures.

#### **Finance Cost, net**

Finance cost, net increase from ₱405.2 million for the nine months ended September 30, 2024 to ₱429.1 million for the nine months ended September 30, 2025 due primarily to the increase of interest on loans payable.

**Tax Expense**

Tax expense decreased by 56.0% from ₱114.0 million for the nine months ended September 30, 2024 to ₱50.3 million for the nine months ended September 30, 2025 due to lower taxable income for the period.

**Net Profit**

As a result of the foregoing, our net income decreased by 111.0% from ₱342.0 million net profit for the nine months ended September 30, 2024 to -₱36.49 million net loss for the nine months ended September 30, 2025.

## FINANCIAL CONDITION

### *As of 30 September 2025 vs. 31 December 2024*

Total assets amounting to ₱25,038.4 million as of September 30, 2025 recorded a decrease of 7.1% from the reported amount of ₱26,955.4 million in December 31, 2024 due to the following:

- Cash amounting to ₱267.0 million as of September 30, 2025 recorded a decrease of 80% from the reported amount of ₱1,357.5 million in December 31, 2024 primarily used to pay for inventory replenishment and payment of maturing loan and interest obligations.
- Trade and Other Receivables amounting to ₱1,016.8 million as of September 30, 2025 recorded a decrease of 5% from the reported amount of ₱1,074.4 million reported in December 31, 2024 due to lower sales for the period.
- Merchandise Inventory amounting to ₱7,215.2 million as of September 30, 2025 recorded a decrease of 3% from the ₱7,441.3 million reported in December 31, 2024 primarily due to non-replenishment of low-performing SKUs.
- Property and Equipment amounting to ₱12,312.2 million as of September 30, 2025 recorded a decrease of 3% from the ₱12,705.5 million reported in December 31, 2024 primarily due to depreciation.
- Other Assets amounting to ₱4,227.2 million, as of September 30, 2025, recorded a decrease of 3% from the amount ₱4,376.6 million reported in December 31, 2024 due primarily to deliveries of purchases with required prepayments.

Total liabilities amounting to ₱8,808.2 million as of September 30, 2025 recorded a decrease of 18% from the reported amount of ₱10,688.7 million in December 31, 2024. This was due to the following:

- Trade and other payables amounting to ₱1,167.6 million, as of September 30, 2025, recorded an increase of 22% from the ₱960.1 million reported in December 31, 2024 mainly attributable to the timing of payments for purchases of inventories during the period.
- Loans payable including non-current portion amounting to ₱4,608.2 million, as of September 30, 2025, recorded a decrease of 27% from the ₱6,320.6 million reported in December 31, 2024 primarily due to payment of matured loans.
- Lease liability including non-current portion amounting to ₱2,290.5 million, as of September 30, 2025, recorded a decrease of 15% from the ₱2,677.9 million reported in December 31, 2024 due to lease payments made.
- Income tax payable amounting to ₱12.2 million, as of September 30, 2025, recorded a decrease of 14% from the ₱14.2 million reported in December 31, 2024 due to lower sales.

- Deferred Tax Liability amounting to ₱659.3 million, as of September 30, 2025, recorded a slight increase of 1% from the amount ₱653.4 million reported in December 31, 2024 due to the adjustment to temporary tax differences for the period.
- Retirement benefit obligation amounting to ₱70.3 million, as of September 30, 2025, recorded an increase of 13% from the ₱62.4 million reported in December 31, 2024 due to adjustment of provision for the retirement benefit.

Total stockholder's equity amounting to ₱16,230.2 million, as of September 30, 2025, recorded a slight decrease of 0.2% from the ₱16,266.7 million reported in December 31, 2024 due to net income recorded for the period.

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

| Key Performance Indicators             | 9/30/2025 | 9/30/2024 |
|----------------------------------------|-----------|-----------|
| Revenue (₱ millions)                   | ₱5,598.6  | ₱7,785.6  |
| Gross Profit (₱ millions)              | 2,114.1   | 2,949.3   |
| Gross Profit Margin (%) <sup>(a)</sup> | 37.8%     | 37.9%     |
| Net Profit (Loss) (₱ millions)         | -36.5     | 342.0     |
| Net Profit Margin (%) <sup>(b)</sup>   | -0.7%     | 4.4%      |

<sup>(a)</sup> Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenue

<sup>(b)</sup> Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenue

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

Revenues decreased for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 due to a subdued property market, which has historically been a significant driver of construction and furnishing-related expenditure.

Gross Profit decreased for the nine months ended September 30, 2025 compared to nine months ended September 30, 2024 as GP margin slightly decreased from 37.9% to 37.8%

Gross Profit Margin slightly decreased for the nine months ended September 30, 2025 compared to nine months ended September 30, 2024 due to various sales campaigns at reduced margins.

Net Profit (Loss), and Net Profit Margin decreased for the nine months ended September 30, 2025 compared to nine months ended September 30, 2024 due primarily to lower sales.

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

- Cash amounting to ₱267.0 million as of September 30, 2025 recorded a decrease of 80% from the reported amount of ₱1,357.5 million in December 31, 2024 primarily used to pay for inventory replenishment and payment of maturing loan and interest obligations.
- Trade and Other Receivables amounting to ₱1,016.8 million as of September 30, 2025 recorded a decrease of 5% from the reported amount of ₱1,074.4 million reported in December 31, 2024 due to lower sales for the period.
- Trade and other payables amounting to ₱1,167.6 million, as of September 30, 2025, recorded an increase of 22% from the ₱960.1 million reported in December 31, 2024 mainly attributable to the timing of payments for purchases of inventories during the period.
- Loans payable including non-current portion amounting to ₱4,608.2 million, as of September 30, 2025, recorded a decrease of 27% from the ₱6,320.6 million reported in December 31, 2024 primarily due to payment of matured loans.
- Lease liability including non-current portion amounting to ₱2,290.5 million, as of September 30, 2025, recorded a decrease of 15% from the ₱2,677.9million reported in December 31, 2024 due to lease payments made.
- Income tax payable amounting to ₱12.2 million, as of September 30, 2025, recorded a decrease of 14% from the ₱14.2 million reported in December 31, 2024 due to lower sales.
- Retirement benefit obligation amounting to ₱70.3 million, as of September 30, 2025, recorded an increase of 13% from the ₱62.4 million reported in December 31, 2024 due to adjustment of provision for the retirement benefit.

**Material Changes to the Company's Statement of Income for the 9-month of 2025 compared to the 9-month of 2024 (increase/decrease of 5% or more)**

- The company recorded sales of ₱5,598.6 million for the nine months ended September 30, 2025, a decrease of about 28% from ₱7,785.6 million for the nine months ended September 30, 2024. The decline was chiefly attributable to a subdued property market, which has historically been a significant driver of construction and furnishing-related expenditure.
- For the nine months ended September 30, 2025, cost of merchandise sold was at ₱3,484.6 million, a decrease of 28% from the ₱4,836.3 million for the same period in 2024 corresponding to the decrease in sales.
- Support, Fees, Rentals and Other Revenues decreased by 36% from ₱137.0 million for the nine months ended September 30, 2024 to ₱88.0 million for the nine months ended September 30, 2025, primarily due to the decrease in sales which is generally the basis for vendor incentives and support.

- Selling, General and Administrative Expenses decreased by 22% to ₱1,760.5 million for the nine months ended September 30, 2025 from ₱2,245.9 million for the same period in 2024.
- Finance cost, net increase from ₱405.2 million for the nine months ended September 30, 2024 to ₱429.1 million for the nine months ended September 30, 2025 due primarily to the increase of interest on loans payable.
- Tax expense decreased by 56.0% from ₱114.0 million for the nine months ended September 30, 2024 to ₱50.3 million for the nine months ended September 30, 2025 due to lower taxable income for the period.
- As a result of the foregoing, our net income decreased by 111.0% from ₱342.0 million net profit for the nine months ended September 30, 2024 to -₱36.4 million net loss for the nine months ended September 30, 2025.

#### **COMMITMENTS AND CONTINGENCIES**

There are no material commitment and contingency as of September 30, 2025 and as of September 30, 2024.

## **PART II – OTHER INFORMATION**

### **Item 3. 9-month of 2025 Development**

**A.** New Projects or Investments in another line of business or comparison.

*None*

**B.** Composition of Board of Directors.

|                           |                            |
|---------------------------|----------------------------|
| Manuel B. Villar, Jr.     | Chairman of the Board      |
| Camille A. Villar         | Vice Chairman of the Board |
| Dante M. Juongbayan       | Director                   |
| Frances Rosalie T. Coloma | Director                   |
| Manuel Paolo A. Villar    | Director                   |
| Jessie D. Cabaluna        | Independent Director       |
| Raul Juan N. Esteban      | Independent Director       |

**C.** Performance of the corporation or result/progress of operation.

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

**D.** Declaration of Dividends.

**P 0.0309 per share Regular Cash Dividend**

Declaration date: November 13, 2024

Record date: November 27, 2024

Payment date: December 12, 2024

**P 0.0374 per share Regular Cash Dividend**

Declaration date: November 24, 2023

Record date: November 30, 2023

Payment date: December 15, 2023

**P 0.0770 per share Regular Cash Dividend**

Declaration date: November 29, 2022

Record date: December 15, 2022

Payment date: December 29, 2022

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

*None.*

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

*None.*

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

*Not Applicable*

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

*None.*

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

*None.*

Item 4. Other Notes as of 9-month of 2025 Operations and Financials.

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

*None.*

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

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

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

*See Notes to Financial Statements and Management's Discussion and Analysis.*

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

*None.*

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

*None.*

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

*None.*

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

*None.*

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

*None.*

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

*None.*

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

*Material commitments for capital expenditures contracted were attributed to the store fixtures and equipment for refurbishment of stores.*

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

*The Company continues to evaluate its store portfolio, with a view of streamlining and optimizing its retail network.*

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

*None.*

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

*None.*

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

*None.*

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

*None.*

## **SIGNATURES**

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

**ALLHOME CORP.**

Issuer

By:

A handwritten signature in black ink, appearing to read "Robirose M. Abbot", is written over a light gray rectangular background.

**ROBIROSE M. ABBOT**

CFO / CRO and Head of IR

Date: **November 14, 2025**