ROBINSONS RETAIL
HOLDINGS, INC.

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

The management of **Robinsons Retail Holdings, Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the period ended **June 30, 2026 and 2025**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

[redacted]

Robina Gokongwei Pe
Chairman of the Board

[redacted]

Stanley C. Co
President & Chief Executive Officer

[redacted]

Mylene A. Kasiban
Chief Financial Officer [redacted]

[redacted]

Graciela A. Banatao
Treasurer

Signed this 13th day of August 2026.

ROBINSONS RETAIL HOLDINGS, INC
110 E. Rodriguez, Jr. Avenue, Libis, Quezon City 1110, Philippines
D +63 (2) 631 1252 T +63 (2) 635 0751 local 206 F +63 (2) 570 5553
E info@robinsonsretail.com.ph
www.robinsonsretail.com.ph

SUBSCRIBED AND SWORN to before me, a notary public in QUEZON CITY, personally appeared:

Name	Competent Proof of Identity	Date/Place Issued
Robina Gokongwei Pe Stanley C. Co Mylene A. Kasiban Graciela A. Banatao	[redacted]	September 22, 2022-Quezon City

Who are personally known to me to be the same persons described in the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this AUG 13 2026 day of [redacted] 2026.

ATTY. GILBERT S. MILLADO, JR.
Roll No. [redacted]
Notary Public for Quezon City
110 E Rodriguez Jr. Ave., Bagumbayan, Quezon City
PTR No [redacted]
IBP N [redacted]
Commission Adm. Matt [redacted]
MCLE Compliance No. [redacted]

Doc. No. 77;
Page No. 17;
Book No. VII;
Series of 2026.

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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 June 30, 2026

2. Commission identification number A200201756

3. BIR Tax Identification No 216-303-212-000

4. Exact name of issuer as specified in its charter

   ROBINSONS RETAIL HOLDINGS, INC.

5. Province, country or other jurisdiction of incorporation or organization Philippines

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office — Postal Code
   110 E. Rodriguez, Jr. Avenue,
   Bagumbayan, Quezon City — 1110

8. Issuer's telephone number, including area code
   (02) 635-07-51

9. Former name, former address and former fiscal year, if changed since last report

   Not Applicable

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	1,065,618,535

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

    Yes [/] No [ ]

    If yes, state the name of such Stock Exchange and the classes of securities listed therein:

    Philippine Stock Exchange - Common Share

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [/]   No [ ]

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

Yes [/]   No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to the attached.

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

Please refer to the attached.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **Robinsons Retail Holdings, Inc.**

[redacted]

Signature and Title: Robina Gokongwei Pe
Chairman

[redacted]

Signature and Title: Stanley C. Co
[redacted] President and Chief Executive Officer

[redacted]

Signature and Title: Mylene A. Kasiban [redacted]
Chief Financial Officer

[redacted]

Signature and Title: Graciela A. Banatao
Treasurer

Signed this 13th day of August 2026.

SUBSCRIBED AND SWORN to before me, a notary public in QUEZON CITY, personally appeared:

Name	Competent Proof of Identity	Date/Place Issued
Robina Gokongwei Pe Stanley C. Co Mylene A. Kasiban Graciela A. Banatao	[redacted]	September 22, 2022-Quezon City

Who are personally known to me to be the same persons described in the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this AUG 13 2026 day of [redacted] 2026.

Doc. No. 78;
Page No. 17;
Book No. VII;
Series of 2026.

ATTY. GILBERT S. MILLADO, JR.
Roll No. [redacted]
Notary Public for Quezon City
110 E Rodriguez Jr. Ave., Bagumbayan, Quezon City
PTR No. [redacted]
IBP No [redacted]
Commission Adm. Matter [redacted]
MCLE Compliance No. V [redacted]

PART 1 – FINANCIAL INFORMATION

Item 1 – Financial Statements

A. Unaudited Consolidated Statements of Financial Position as of June 30, 2026 and Audited Consolidated Statements of Financial Position as of December 31, 2025

B. Unaudited Consolidated Statements of Comprehensive Income for the Six Months Ended June 30, 2026 and 2025

C. Unaudited Consolidated Statements of Changes in Equity for the Six Months Ended June 30, 2026 and 2025

D. Unaudited Consolidated Statements of Cash Flow for the Six Months Ended June 30, 2026 and 2025

E. Notes to Unaudited Consolidated Financial Statements

C O V E R S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	2	0	0	2	0	1	7	5	6	

COMPANY NAME

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

Principal Office (*No./Street/Barangay/City/Town/Province*)

110 E. RODRIGUEZ, JR. AVENUE, BAGUMBAYAN, QUEZON CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec@robinsonretail.com.ph	**8635-0751**	**N/A**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
38	**Last Thursday of May**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mylene A. Kasiban	**Mylene.Kasiban@robinsonsretail.ph**	**8635-0751**	**8635-0751**

CONTACT PERSON's ADDRESS

110 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City

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

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

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 26)	**₱9,276,684,547**	₱15,280,475,444
Trade and other receivables (Notes 8, 23, 26 and 28)	**3,117,948,846**	3,866,743,161
Merchandise inventories (Note 9)	**35,394,169,779**	34,654,191,580
Debt instruments financial assets - current portion (Notes 11 and 26)	**–**	149,338,350
Other current assets (Note 10)	**2,058,983,035**	927,139,859
Total Current Assets	**49,847,786,207**	54,877,888,394
Noncurrent Assets		
Debt and equity instruments financial assets - net of current portion (Notes 11 and 26)	**36,850,468,362**	43,948,751,551
Property and equipment (Note 12)	**27,963,368,015**	27,567,517,642
Right-of-use assets (Note 27)	**16,568,391,942**	18,076,833,937
Investments in associates (Note 13)	**2,659,155,301**	2,251,989,026
Intangible assets (Note 14)	**22,755,965,367**	22,756,281,343
Deferred tax assets - net (Note 24)	**1,682,549,437**	1,653,526,457
Retirement plan asset - net (Note 22)	**171,976,808**	182,525,375
Other noncurrent assets (Notes 15, 26 and 27)	**2,865,719,471**	2,709,899,267
Total Noncurrent Assets	**111,517,594,703**	119,147,324,598
	₱161,365,380,910	₱174,025,212,992

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 16, 23 and 26)	**₱26,160,881,012**	₱29,164,323,039
Income tax payable	**163,815,116**	288,991,106
Short-term loans payable (Notes 17 and 26)	**27,190,000,000**	28,105,000,000
Lease liabilities - current portion (Note 27)	**3,401,980,151**	3,307,066,681
Other current liabilities (Note 26)	**665,982,814**	621,350,247
Total Current Liabilities	**57,582,659,093**	61,486,731,073
Noncurrent Liabilities		
Lease liabilities - net of current portion (Note 27)	**17,682,147,092**	19,337,306,028
Long-term loans payable (Notes 17 and 26)	**14,845,369,186**	14,828,034,527
Deferred tax liabilities - net (Note 24)	**2,187,729,771**	2,189,947,182
Retirement obligation - net (Note 22)	**466,792,358**	323,946,160
Total Noncurrent liabilities	**35,182,038,407**	36,679,233,897
Total Liabilities	**92,764,697,500**	98,165,964,970
Equity (Note 18)		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	**1,418,101,745**	1,576,489,360
Additional paid-in capital	**33,093,311,526**	40,768,202,897
Treasury stock	**(16,880,682,500)**	(24,713,961,486)
Other comprehensive income (Notes 11, 13 and 22)	**860,135,138**	7,686,550,594
Equity reserve	**(772,041,467)**	(772,041,467)
Retained earnings:		
Appropriated	**7,248,252,847**	7,248,252,847
Unappropriated	**40,613,189,581**	40,804,210,650
	65,580,266,870	72,597,703,395
Noncontrolling interests	**3,020,416,540**	3,261,544,627
Total Equity	**68,600,683,410**	75,859,248,022
	₱161,365,380,910	₱174,025,212,992

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30 (Unaudited)		Six Months Ended June 30 (Unaudited)	
	2026	2025	**2026**	2025
SALES - Net of sales discounts and returns (Notes 16, 19 and 23)	**₱53,990,361,633**	₱50,660,031,266	**₱106,747,426,641**	₱98,476,924,305
COST OF MERCHANDISE SOLD (Note 9)	**40,711,174,337**	38,326,030,333	**80,766,159,223**	74,554,174,380
GROSS PROFIT	**13,279,187,296**	12,334,000,933	**25,981,267,418**	23,922,749,925
ROYALTY, RENT AND OTHER REVENUE (Notes 19, 23, 27 and 28)	**386,212,498**	318,192,293	**748,925,766**	681,369,026
GROSS PROFIT INCLUDING OTHER REVENUE	**13,665,399,794**	12,652,193,226	**26,730,193,184**	24,604,118,951
OPERATING EXPENSES (Notes 20, 21, 27 and 28)	**(11,561,503,961)**	(10,285,063,505)	**(22,619,030,441)**	(20,300,597,310)
OTHER INCOME (CHARGES)				
Interest income (Notes 7, 11 and 15)	**33,480,419**	37,066,780	**85,735,432**	71,432,790
Equity in net earnings in associates (Note 13)	**(204,802,046)**	(162,073,827)	**(375,311,112)**	(275,132,301)
Dividend income (Note 11)	**846,603,894**	707,540,213	**850,386,908**	737,094,824
Foreign currency exchange gains (loss) - net	**(47,174,991)**	(1,927,588)	**(69,156,810)**	(5,440,421)
Interest expense (Notes 17 and 27)	**(940,383,947)**	(893,187,134)	**(1,917,789,191)**	(1,636,013,152)
Unrealized gains on debt and equity instruments financial assets and others - net (Notes 11, 14, and 27)	**149,327,059**	(4,453,379)	**141,012,969**	11,057,498
	(162,949,612)	(317,034,935)	**(1,285,121,804)**	(1,097,000,762)
INCOME BEFORE INCOME TAX	**1,940,946,221**	2,050,094,786	**2,826,040,939**	3,206,520,879
PROVISION FOR INCOME TAX (Note 24)				
Current	**382,723,138**	446,448,121	**755,017,674**	816,038,928
Deferred	**34,895,433**	(57,629,097)	**(27,861,824)**	(169,066,229)
	417,618,571	388,819,024	**727,155,850**	646,972,699
NET INCOME	**1,523,327,650**	1,661,275,762	**2,098,885,089**	2,559,548,180
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Changes in fair value of debt securities at fair value through other comprehensive income (FVOCI) (Note 11)	**(1,616,386)**	314,209,670	**(142,804,495)**	447,843,835
Share in change in translation adjustment in investment entities (Notes 11 and 13)	**43,881,004**	(38,298,634)	**183,291,031**	(60,490,098)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:				
Changes in fair value of equity securities at FVOCI (Note 11)	**(1,332,383,969)**	(683,273,830)	**(6,866,901,992)**	2,733,095,320
	(1,290,119,351)	(407,362,794)	**(6,826,415,456)**	3,120,449,057
TOTAL COMPREHENSIVE INCOME	**₱233,208,299**	₱1,253,912,968	**(₱4,727,530,367)**	₱5,679,997,237

	Three Months Ended June 30 (Unaudited)		Six Months Ended June 30 (Unaudited)	
	2026	2025	**2026**	2025
Net income attributable to:				
Equity holders of the Parent Company (Note 25)	**₱1,450,958,802**	₱1,492,310,435	**₱1,940,216,001**	₱2,252,095,018
Non-controlling interest in consolidated subsidiaries	**72,368,848**	168,965,327	**158,669,088**	307,453,162
	₱1,523,327,650	₱1,661,275,762	**₱2,098,885,089**	₱2,559,548,180
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**₱ 160,839,451**	₱1,084,947,641	**(₱4,886,199,455)**	₱ 5,372,544,075
Non-controlling interest in consolidated subsidiaries	**72,368,848**	168,965,327	**158,669,088**	307,453,162
	₱233,208,299	₱1,253,912,968	**(₱4,727,530,367)**	₱ 5,679,997,237
Basic/Diluted Earnings Per Share (Note 25)	**₱1.36**	₱1.14	**₱1.82**	₱1.65

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Total Equity Attributable to Equity Holders of the Parent Company									
						Retained Earnings				
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Treasury Stock (Note 18)	Other Comprehensive Income (Loss) (Notes 11, 13,and 22)	Equity Reserve (Note 18)	Appropriated (Note 18)	Unappropriated (Note 18)	Total	Non-controlling Interest in Consolidated Subsidiaries (Note 18)	Total
					For the Six Months Ended June 30, 2026 (Unaudited)					
Balance at beginning of year	**₱1,576,489,360**	**₱40,768,202,897**	**(₱24,713,961,486)**	**₱7,686,550,594**	**(₱772,041,467)**	**₱7,248,252,847**	**₱40,804,210,650**	**₱72,597,703,395**	**₱3,261,544,627**	**₱75,859,248,022**
Net income	–	–	–	–	–	–	**1,940,216,001**	**1,940,216,001**	**158,669,088**	**2,098,885,089**
Other comprehensive income	–	–	–	**(6,826,415,456)**	–	–	–	**(6,826,415,456)**	–	**(6,826,415,456)**
Total comprehensive income	–	–	–	**(6,826,415,456)**	–	–	**1,940,216,001**	**(4,886,199,455)**	**158,669,088**	**(4,727,530,367)**
Dividends declared	–	–	–	–	–	–	**(2,131,237,070)**	**(2,131,237,070)**	**(415,030,000)**	**(2,546,267,070)**
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	**15,232,825**	**15,232,825**
Retirement of treasury shares	**(158,387,615)**	**(7,674,891,371)**	**7,833,278,986**	–	–	–	–	–	–	–
Balance at end of period	**₱1,418,101,745**	**₱33,093,311,526**	**(₱16,880,682,500)**	**₱860,135,138**	**(₱772,041,467)**	**₱7,248,252,847**	**₱40,613,189,581**	**₱65,580,266,870**	**₱3,020,416,540**	**₱68,600,683,410**
					For the Six Months Ended June 30, 2025 (Unaudited)					
Balance at beginning of year	₱1,576,489,360	₱40,768,202,897	(₱7,600,020,804)	₱9,388,662,498	(₱772,041,467)	₱14,304,252,847	₱30,876,862,490	₱88,542,407,821	₱ 4,064,018,776	₱92,606,426,597
Net income	–	–	–	–	–	–	2,252,095,018	2,252,095,018	307,453,162	2,559,548,180
Other comprehensive income	–	–	–	3,120,449,057	–	–	–	3,120,449,057	–	3,120,449,057
Total comprehensive income	–	–	–	3,120,449,057	–	–	2,252,095,018	5,372,544,075	307,453,162	5,679,997,237
Dividends declared	–	–	–	–	–	–	(2,836,203,490)	(2,836,203,490)	(1,217,323,318)	(4,053,526,808)
Purchase of treasury shares (Note 18)	–	–	(15,998,723,682)	–	–	—		(15,998,723,682)	–	(15,998,723,682)
Balance at end of period	₱1,576,489,360	₱40,768,202,897	(₱23,598,744,486)	₱12,509,111,555	(₱772,041,467)	₱14,304,252,847	₱30,292,754,018	₱75,080,024,724	₱3,154,148,620	₱78,234,173,344

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30 (Unaudited)	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱2,826,040,939**	₱3,206,520,879
Adjustments for:		
Depreciation and amortization (Notes 12, 14, 20, 27)	**3,975,404,301**	3,633,293,570
Interest expense (Notes 17 and 27)	**1,917,789,191**	1,636,013,152
Retirement expense (Notes 21 and 22)	**153,394,765**	123,655,673
Provision for inventory obsolescence (Note 9)	**40,471,556**	20,145,795
Provision for (reversal of) expected credit losses (Note 8)	**19,778,596**	12,986,917
Unrealized foreign currency exchange loss (gain) – net	**69,156,810**	5,440,421
Loss on acquisition of non-controlling interest	**15,232,827**	–
Equity in net earnings in associates (Note 13)	**375,311,112**	275,132,301
Dividend income (Note 11)	**(850,386,908)**	(737,094,824)
Interest income (Notes 7, 11 and 15)	**(85,735,432)**	(71,432,790)
Gain on derecognition of lease liability (Note 27)	**(154,942,537)**	23,741,724
Operating income before working capital changes	**8,301,515,220**	8,128,402,818
Decrease (increase) in:		
Trade and other receivables	**1,382,279,661**	1,729,241,932
Merchandise inventories	**(780,449,755)**	(1,651,118,815)
Other current assets	**(1,131,843,176)**	(435,603,213)
Increase (decrease) in:		
Trade and other payables	**(2,827,527,186)**	(3,782,633,924)
Other current liabilities	**44,632,567**	(3,351,713)
Net cash flows generated from operations	**4,988,607,331**	3,984,937,085
Interest received	**88,351,410**	89,106,900
Income tax paid	**(880,193,664)**	(785,968,286)
Net cash flows generated by operating activities	**4,196,765,077**	3,288,075,699
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Investment in associates (Note 13)	**(615,102,094)**	(628,828,052)
Debt and equity instrument financial assets (Note 11)	**(481,225,000)**	(522,500,000)
Property and equipment	**(2,725,722,233)**	(2,097,310,725)
Proceeds from disposals of debt and equity instrument financial assets (Note 11)	**916,999,850**	106,075,000
Dividends received (Note 11)	**194,506,989**	711,926,436
Decrease (increase) in other noncurrent assets	**(155,820,204)**	(71,280,038)
Net cash flows used in investing activities	**(2,866,362,692)**	(2,501,917,379)

	Six Months Ended June 30 (Unaudited)	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availments (Notes 17)	**₱1,635,000,000**	₱20,605,000,000
Interest paid (Notes 17)	**(1,131,884,591)**	(647,397,791)
Dividends paid	**(2,519,865,399)**	(2,952,528,489)
Purchase of treasury shares (Note 18)	–	(15,998,723,682)
Payment of loans (Notes 17)	**(2,550,000,000)**	(2,120,807,500)
Lease payments (Notes 27)	**(2,698,286,482)**	(2,521,992,975)
Net cash flows used in financing activities	**(7,265,036,472)**	(3,636,450,437)
EFFECTS OF FOREIGN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	**(69,156,810)**	21,853,198
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(6,003,790,897)**	(2,828,438,919)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**15,280,475,444**	13,137,397,228
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 7)	**₱9,276,684,547**	₱10,308,958,309

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Robinsons Retail Holdings, Inc. (“RRHI” or the “Parent Company”) is a stock corporation organized under the laws of the Philippines. The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on February 4, 2002. The Parent Company’s common stock was listed with the Philippine Stock Exchange (PSE) on November 11, 2013, which is the Parent Company’s initial public offering (IPO).

As of June 30, 2026, the Parent Company is 46.10%-owned by JE Holdings, Inc. and the rest by the public.

The primary purpose of the Parent Company and its subsidiaries (the “Group”) is to engage in the business of trading goods, commodities and merchandise of any kind.

The Parent Company’s registered office address is 110 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

Retirement of treasury shares
On July 25, 2025, the Board of Directors (BOD) approved the retirement of 158,387,615 treasury shares of the Parent Company. Consequently, on July 25, 2025 and September 16, 2025, the BOD and shareholders approved the amendment of Article Seventh of the Parent Company’s Articles of Incorporation to reduce the authorized capital stock to ₱1,841,612,385, divided into 1,841,612,385 shares with a par value of ₱1.00 per share, respectively (Note 18).

On April 29, 2026, the SEC approved the retirement of 158,387,615 treasury shares amounting to ₱7.83 billion (Note 18).

Acquisition of Premiumbikes Corporation (PBC)
On July 25, 2025, the Parent Company’s BOD approved the 100% acquisition of PBC. The acquisition was through the Parent Company's wholly owned subsidiary, Robinson's Supermarket Corporation (RSC). The acquisition is expected to enable the Group to expand into the growing motorcycle market in the Philippines, which aligns with the Group’s strategy to diversify its revenue stream and enter profitable retail categories.

On November 6, 2025, the Group received the Philippine Competition Commission (PCC) Resolution approving the acquisition of PBC. Subsequently, on December 1, 2025, RSC entered into a Deed of Assignment of Shares for the acquisition of 20,147,555 common shares of PBC, in exchange for a total purchase price of ₱146.37 million (Notes 2 and 14).

Voluntary delisting
On March 27, 2026, the Board of Directors approved the voluntary delisting of the Company’s shares from the PSE, following the receipt of a notice of intent to conduct a tender offer from JE Holdings, Inc., a Philippine holding company and RRHI’s largest shareholder, subject to compliance with all applicable regulatory requirements, including those of the SEC, PSE and PCC.

In the Annual Stockholders’ Meeting of the Company held on May 12, 2026, stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the Company approved the Voluntary Delisting, and the number of votes cast against the Voluntary Delisting did not exceed ten percent (10%) of the total outstanding and listed shares of the Company.

Following the close of the Tender Offer Period, a total of 229,579,555 Common Shares, representing approximately 21.54% of the issued and outstanding capital stock of the Company, were validly tendered by shareholders of the Company and accepted by JE Holdings. The Tendered Shares were crossed through the facilities of the PSE on July 13, 2026 and settled on July 15, 2026. The Tendered Shares were purchased by JE Holdings at the Tender Offer Price for a total consideration of ₱11.09 billion.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The consolidated financial statements are prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional and presentation currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries which are directly and indirectly owned by the Parent Company:

	Percentages of Effective Ownership					
	2026		2025		2024	
Subsidiaries	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Robinson's Supermarket Corporation (RSC)	**100.00%**	**–**	100.00%	–	100.00%	–
Robinsons Appliances Corp. (RAC)	**–**	**67.00%**	–	67.00%	–	67.00%
Robinsons Ventures Corporation (RVC)	**–**	**100.00%**	–	100.00%	–	65.00%
Savers Electronic World, Inc. (SEWI)	**–**	**90.00%**	–	90.00%	–	90.00%
Super50 Corporation (S50)	**–**	**51.00%**	–	51.00%	–	51.00%
South Star Drug, Inc. (SSDI)	**–**	**90.00%**	–	90.00%	–	90.00%
TGP Pharma, Inc. (TGPPI)	**–**	**45.90%**	–	45.90%	–	45.90%
The Generics Pharmacy Inc. (TPI)	**–**	**45.90%**	–	45.90%	–	45.90%
Rose Pharmacy, Inc. (RPI)	**–**	**90.00%**	–	90.00%	–	90.00%
Robinson's Handyman, Inc. (RHMI)	**–**	**80.00%**	–	80.00%	–	80.00%
Handyman Express Mart, Inc. (HEMI)	**–**	**52.00%**	–	52.00%	–	52.00%
Waltermart-Handyman, Inc. (WHI)	**–**	**52.00%**	–	52.00%	–	52.00%
Robinsons True Serve Hardware Philippines, Inc. (RTSHPI)	**–**	**53.33%**	–	53.33%	–	53.33%
RHI Builders and Contractors Depot Corp. (RHIB)	**–**	**80.00%**	–	80.00%	–	80.00%
Home Plus Trading Depot, Inc. (HPTDI)	**–**	**100.00%**	–	100.00%	–	100.00%
Sole Fashion, Inc. (SFI)	**–**	**98.00%**	–	98.00%	–	98.00%
Premiumbikes Corporation (PBC)	**–**	**100.00%**	–	100.00%	–	–
Everyday Convenience Stores, Inc. (ECSI)	**100.00%**	**–**	100.00%	–	100.00%	–
Robinsons Daiso Diversified Corp. (RDDC)	**90.00%**	**–**	90.00%	–	90.00%	–
RHD Daiso-Saizen, Inc. (RDSI)	**59.40%**	**–**	59.40%	–	59.40%	–
RRHI Trademarks Management, Inc. (RRHI-TMI)	**100.00%**	**–**	100.00%	–	100.00%	–
New Day Ventures Limited (NDV Limited)	**100.00%**	**–**	100.00%	–	100.00%	–

All subsidiaries were incorporated in the Philippines and the functional currency is the Philippine Peso (₱), except for NDV Limited which was incorporated in British Virgin Islands and whose functional currency is the US Dollar ($). The financial statements of the subsidiaries and associates are prepared for the same reporting period as the Parent Company,

Investments and acquisitions
On December 1, 2025, the Parent Company, through its wholly owned subsidiary RSC, completed its acquisition of PBC and its financial results have been consolidated into RRHI as of December 31, 2025 and for the period covering December 1 to 31, 2025.

The final fair values of the identifiable assets and liabilities acquired at the date of acquisition are as follows:

Assets	
Cash and cash equivalents	₱383,852,743
Trade and other receivables	109,906,025
Merchandise inventories	840,908,931
Other current assets	139,454,636
Property and equipment	101,951,180
Right-of-use assets	521,840,183
Intangible asset	363,981,535
Other noncurrent assets	47,178,782
Total assets	2,509,074,015
Liabilities	
Trade and other payables	₱507,191,958
Income tax payable	17,151,161
Lease liabilities	565,148,307
Dividends payable	180,000,000
Advances from related parties	350,479,645
Other current liabilities	248,046,497
Deferred tax liabilities - net	76,930,561
Retirement obligation	18,667,087
Total liabilities	1,963,615,216
Fair values of the identifiable net assets acquired	₱545,458,799

The final gain on bargain purchase from the acquisition is determined as follows:

Total purchase price	₱146,372,172
Less: Fair values of the identifiable net assets acquired	545,458,799
Gain on bargain purchase	(₱399,086,627)

The gain on bargain purchase was presented under “Others” line item in the “Other income (charges)” section in the statements of comprehensive income.

The revenue included in the consolidated statement of comprehensive income since December 1, 2025 contributed by PBC was ₱544.45 million. PBC also contributed net income of ₱25.71 million over the same period. Had PBC been consolidated from January 1, 2025, the consolidated statement of comprehensive income would have included revenue of ₱5,576.37 million and net income of ₱147.38 million.

On December 3, 2025, RSC purchased the remaining 35% interest in RVC for a consideration of ₱4.

On February 29, 2024, RHMI purchased the remaining 25% interest in HPTD for a total consideration of ₱21.12 million. The Group paid a total of ₱15.00 million (net of related taxes and receivables from the noncontrolling interests) to the noncontrolling interests in 2024.

On October 16, 2023, RSC acquired 98% ownership in SFI for a total consideration of ₱141.54 million. SFI is incorporated in the Philippines to engage in the business of buying, selling, distributing, and marketing, on a wholesale and retail basis insofar as may be permitted by law, ready to wear sporting goods, clothing, footwear, and other related items and merchandise and operate and manage sneaker cleaning kiosks and sports facilities.

Mergers
On April 22, 2022, the BOD and stockholders of RSC and RCSI approved the plan of merger with RSC as the surviving company. On December 19, 2022, the Philippine SEC approved the articles and plan of merger which was effective July 1, 2023.

On February 10, 2023, shareholders owning or representing at least 2/3 of the total outstanding capital stock of VHI passed and approved the resolutions covering the approval and ratification of the merger of VHI and RSC. On August 17, 2023, the Philippine SEC approved the merger with RSC as the surviving entity which was effective September 1, 2023.

On February 14, 2025, the BOD and the stockholders of RHMI, RHIB, and HPTD approved the plan of merger with RHMI as the surviving entity. On December 2, 2025, the Philippine SEC approved the articles and plan of merger which was effective April 1, 2026.

3. Changes in Accounting Policies

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to PAS 21, *Lack of exchangeability*, which specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

  The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9
  a) Lessee Derecognition of Lease Liabilities

     The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

  b) Transaction Price

     The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

  The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

  The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The Group is currently assessing the impact of adopting PFRS 18 in its financial reporting, including its data collection process.
- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

  In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

  The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

  The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. **Material Accounting Policy Information**

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is acting as principal in all its revenue arrangements. The Group recognized revenue from the following major sources:

- Sale of goods to retail customers and wholesale market, including warranties granted under local legislation. Sale of goods include food, beverage, grocery items, fashion items (e.g., shoes, bags, clothing, cosmetics), household items, home improvement products, consumer electronics and appliances, toys, prescription and over-the-counter pharmaceutical products and motorcycles;
- Sale of merchandise to franchisees;
- Franchise revenue under Uncle John's and TGP franchise agreements; and
- Royalty fees.

Sale of goods - retail customers

The Group sells goods directly to customers through its own retail outlets and through its own e-commerce platform and in partnership with major e-commerce players in the country.

For the sale of goods through retail outlets, revenue is recognized when the control of the goods has transferred to the customer, at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For the e-commerce sales, revenue is recognized when control of the goods has transferred to the customer, at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.

Under the Group's standard contract terms for sale to retail customers (for both retail outlet and e-commerce sales), customers have a right of return within seven (7) days following the date that the control of goods has transferred to the customer. 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 (i.e., one color or size for another).

Sale of goods - wholesale market

The Group sell goods in the wholesale market. Revenue is recognized when control of the goods has transferred to the wholesaler, at the point the goods are delivered to the wholesaler. The wholesaler has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the goods. Delivery occurs when the goods have been shipped to the wholesaler's specific location, and the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

The sale of goods to the wholesale market often includes volume discounts based on current purchases. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

A receivable is recognized when the goods are shipped to the customer's specific location as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of gift checks
The Group sells gift checks at face value which can be used to redeem goods. A contract liability is recognized for revenue relating to gift checks at the time of sale of gift checks. Revenue from gift checks is recognized when redeemed by the customer and when the control of the goods has transferred to the customer, at the point the customer purchases the goods at the retail outlet.

Sale of merchandise - franchisees
For the sale of merchandise to franchisees, revenue is recognized when control of the goods has transferred to the franchisees, at the point the goods are delivered to the franchisees. Delivery occurs when the goods have been shipped to the franchisee's specific location.

Franchise revenue under "Other revenue"
The Group's franchise agreement includes payment of nonrefundable upfront fee. The revenue from nonrefundable upfront fees is recognized on a straight-line basis over the period the franchisee has access to the license (i.e., the term of the franchise agreement). Continuing franchise fees in exchange for the franchise right granted over the term of the franchise agreement are recognized as revenue when the sale of merchandise by the franchisees occurs.

Royalty fee
Royalty fee is recognized based on certain percentage of the franchisees' gross profit.

Financial Instruments - Initial Recognition and Subsequent Measurement
Financial assets
The Group recognizes a financial asset in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement
Financial assets are classified, at initial recognition, as either at amortized cost, at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in case not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at the instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Transferred assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As of June 30, 2026 and December 31, 2025, the Group’s financial assets at amortized cost includes cash and cash equivalents, trade and other receivables, and refundable deposits included under other noncurrent assets.

Financial assets at FVOCI (debt instruments). The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income (OCI) in the consolidated statement of comprehensive income. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

As of June 30, 2026 and December 31, 2025, the Group’s debt instruments at FVOCI include investments in quoted debt instruments.

Financial assets designated at FVOCI (equity instruments). At initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation and Disclosure*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

As of June 30, 2026 and December 31, 2025, the Group's equity instruments designated at FVOCI include investments in quoted and unquoted shares of stock.

Financial assets at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in profit or loss.

As of June 30, 2026 and December 31, 2025, the Group's financial assets at FVTPL include investments in debt instruments.

Impairment of Financial Assets

The Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The ECL allowance is based on the credit losses expected to arise on a 12-month duration if there has been no significant increase in credit risk of the financial asset since origination (12-month ECL). Otherwise, if a significant increase in credit risk is observed, then the ECL estimation is extended until the end of the life of the financial asset (Lifetime ECL). The 12-month ECL represents the losses that result from default events on a financial asset which may happen within 12 months after the reporting date. The Lifetime ECL on the other hand represents the losses that result from default events on a financial asset which may happen over its life. Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

For trade receivables, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted by forward-looking factors specific to the debtors and economic environment.

An impairment analysis is performed at each reporting date using a provision matrix to measure ELCs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information (i.e., inflation rate and consumer price index) specific to the debtors and economic environment. At every reporting date, the historical observed default rate is updated and changed in the forward-looking estimates are analyzed.

A default is considered to have occurred when (a) there is a breach of financial covenants by the counterparty; or (b) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

For cash in banks, cash equivalents, and debt instruments financial assets, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.
For other debt financial instruments (i.e., security deposits), the Group applies the general approach. Therefore, the Group track changes in credit risk at every reporting date.

<u>Financial Liabilities</u>
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and other financial liabilities at amortized cost. The initial measurement of financial liabilities, except for designated at FVPL, includes transaction costs.

As of June 30, 2026 and December 31, 2025, the Group’s financial liabilities are classified as other financial liabilities.

Subsequent measurement
After initial recognition, other financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process.

This accounting policy relates to the Group’s “Trade and other payables”, “Short-term loans payable”, “Lease liabilities”, “Other current liabilities” and “Long-term loans payable” line items in the consolidated statement of financial position (other than liabilities covered by other accounting standards).

<u>Derecognition of Financial Assets and Liabilities</u>
Financial asset
A financial asset (or, where applicable a part of a financial asset) is derecognized where:

- the right to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through’ arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either; (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control of the asset.

Financial liability
A financial liability (or part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled, or has expired.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Merchandise Inventories

Merchandise inventories are stated at the lower of cost and net realizable value (NRV). Cost is determined using the moving average method. Costs comprise of purchase price, including duties, transport and handling costs, and other incidental expenses incurred in bringing the merchandise inventory to its present location and condition.

NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. In the event that NRV is lower than cost, the decline shall be recognized as an expense in the consolidated statement of comprehensive income.

Investments in Associates

An associate is an entity over which the Group has significant influence. Investments in associates are accounted for under the equity method of accounting. The reporting dates of the associates and the Group are identical and the accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

The Group discontinues applying the equity method when the carrying value of the investment in associate is reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the associates. When the associates subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

Property and Equipment

Property and equipment, except land, are carried at cost less accumulated depreciation and amortization and accumulated impairment in value, if any. Land is carried at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use including borrowing cost. All other repair and maintenance costs are recognized in the consolidated profit or loss as incurred.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives (EUL) of the assets. Leasehold improvements are amortized over the EUL of the improvements or the term of the related lease, whichever is shorter.

The EULs of property and equipment in general are as follows:

	Years
Building and other equipment	20 - 25
Store furniture and fixtures	5 - 10
Office furniture and fixtures	5 - 10
Transportation equipment	5 - 10
Computer equipment	3 - 10

Leasehold improvements are amortized over the EUL (i.e., three (3) to 10 years) or lease term, whichever is shorter.

The useful life and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property that is both owner-occupied and leased-out under operating lease is treated as property and equipment under the rules of PAS 16 instead of investment property under PAS 40 if the related portion of the property being leased-out is insignificant.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is included in profit or loss in the year the asset is derecognized.

Intangible Assets

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill
Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following the Group's interest in the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changed in circumstances indicate that the carrying value may be impaired.

Gain on bargain purchase
Business combinations are accounted for using the acquisition method. At the acquisition date, the Group recognizes the identifiable assets acquired and liabilities assumed at their fair values. If the fair value of the identifiable net assets acquired exceeds the total consideration transferred, the difference is recognized as a gain on bargain purchase which is recognized immediately in profit or loss. The gain is not remeasured in subsequent periods and does not result in the recognition of goodwill. Any measurement period adjustments relating to facts and circumstances existing as of the acquisition date may be recorded within a period not exceeding 12 months from the acquisition date.

Trademarks
Trademarks, which were acquired through business combinations in 2012 (SSDI), 2015 (SEWI), 2016 (TGPPI), 2018 (RSCI), 2020 (RPI), 2023 (SFI) and 2025 (PBC) were recognized at fair value at the date of acquisition and assessed to have indefinite useful lives because these have no expiry as to usage and the Group continues to invest in brand development, expansion of store networks, and marketing and customer loyalty programs. Following initial recognition, the trademarks are carried at cost and subject to annual impairment testing.

Franchise
The Group acquired the franchise to use the brand and operate its stores. The franchise shall be amortized using the straight-line method over a period of 10 years. The amortization of the franchise is recorded in the consolidated statement of comprehensive income under the "Operating expenses" account.

<u>Impairment of Nonfinancial Assets</u>
At each reporting date, the Group assesses whether there is an indication that an asset (e.g., property and equipment, right-of-use (ROU) assets, investments in associates and intangible assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For nonfinancial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized.

The following criteria are also applied in assessing impairment of specific assets:

Investments in associates
After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group’s net investments in associates. The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investments in associates and recognizes the difference in the consolidated statement of comprehensive income. The Group applies PFRS 5 to an investment (or portion thereof) in an associate that meets the criteria to be classified as held for sale. Any retained portion not classified as held for is accounted for using the equity method until the disposal of portion that is classified as held for sale takes place. After such disposal, the Group accounts for any retained interest in accordance with PFRS 9 unless the retained interest continues to be an associate, in which case equity method is still applied.

Impairment testing of goodwill and trademarks
Goodwill and trademarks are reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

The Group performed its annual impairment test for the years ended December 31, 2025 and 2024. The CGU are concluded to be the entire entities acquired by the Group. The impairment testing may be performed at any time in the annual reporting period, but it must be performed at the same time every year and when circumstances indicate that the carrying amount is impaired. The impairment testing also requires an estimation of the recoverable amount, whichever is higher between the net selling price or value-in-use of the CGU to which the goodwill and intangibles are allocated.

Impairment is determined for goodwill and trademarks by assessing the recoverable amount of the CGU (or group of CGU) to which the goodwill and trademarks relate. Where the recoverable amount of the CGU (or group of CGU) is less than the carrying amount of the CGU (or group of CGU) to which goodwill and trademarks have been allocated, an impairment loss is recognized immediately in the consolidated statement of comprehensive income. Impairment loss recognized for goodwill shall not be reversed in future periods. Impairment loss recognized for trademark can be reversed in future periods, if and only if, there has been a change in the estimates used to determine the CGU’s recoverable amount.

Retirement Cost
Defined benefit plan
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in the consolidated statement of comprehensive income subsequent periods.

Retirement plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Retirement plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

<u>Income Tax</u>
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is provided, using the balance sheet liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from excess MCIT and NOLCO can be utilized.

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

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

Deferred tax items are recognized in correlation to the underlying transaction either in profit or loss or other comprehensive income. Deferred tax relating to items recognized outside profit or loss is recognized in other comprehensive income in the consolidated statement of comprehensive income.

Capital Stock

Capital stock is measured at par value for all shares issued. When the Group issues shares in excess of par, the excess is recognized as additional paid-in capital (APIC). Incremental costs incurred directly attributable to the issuance of new shares are treated as deduction from APIC. If APIC is not sufficient, the excess is charged against retained earnings.

Equity Reserve

Equity reserve consists of equity transactions other than capital contributions, such as equity transactions arising from transactions with NCI and business combination or entities under common control.

Retained Earnings

Retained earnings represent net accumulated earnings of the Group less dividends declared and any adjustment arising from application of new accounting standards, policies or correction of errors applied retroactively. It includes the accumulated equity in undistributed earnings of consolidated subsidiaries which are not available for dividends until declared by subsidiaries. Appropriated retained earnings are those that are restricted for store expansion and investment program. Unappropriated retained earnings are those that can be allocated for specific purposes and can be distributed as dividend.

Treasury Shares

Treasury shares are own equity instruments which are reacquired at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is charged to APIC to the extent of the specific or average APIC when the shares were issued and to retained earnings for the remaining balance. The retained earnings account is restricted to payment of dividends to the extent of the cost of treasury shares and other appropriations.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether the fulfillment of the arrangement is dependent on the use of a specific asset of assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

ROU assets. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The cost of an item of ROU assets also includes the costs of its dismantling, removal or restoration, the obligation for which an entity incurs as a consequence of installing the item. Changes in the measurement of an existing dismantling, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

a. subject to (b), changes in the liability shall be added to, or deducted from, the cost of the related asset in the current period.
b. the amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.
c. if the adjustment results in an addition to the cost of an asset, the entity shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount, and shall account for any impairment loss.

The depreciable amount of the asset is depreciated over its useful life. Once the related asset reached the end of its useful life, all subsequent changes in the liability shall be recognized in profit or loss as they occur.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term as follows:

	Years
Store spaces	2-20
Warehouses	10-15
Office spaces	6-10
Building	10

ROU assets are presented separately in the consolidated statement of financial position and are also subject to impairment test in accordance with PAS 36.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period when the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

The Group as lessor
Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income.

Foreign Currency Transactions
Transactions in foreign currencies are initially recorded in the Group's functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using the Bankers Association of the Philippines (BAP) closing rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the prevailing closing exchange rate as of the date of initial transaction.

Financial statements of consolidated foreign subsidiaries which are considered foreign entities are translated into the presentation currency of the Parent Company (Philippine Peso) at the closing exchange rate at end of reporting period and their statements of income are translated using the monthly weighted average exchange rates for the year. The exchange differences arising from the translation are taken directly to a separate component of equity (under cumulative translation adjustment). On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized to profit or loss in the consolidated statement of comprehensive income.

Earnings Per Share (EPS)
Basic EPS is computed by dividing net income for the year applicable to common stock by the weighted average number of common shares issued and outstanding during the year, adjusted for any subsequent stock dividends declared.

Diluted EPS is calculated by dividing the net income for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on EPS.

The Parent Company does not have any potentially dilutive ordinary shares for the periods ended June 30, 2026 and December 31, 2025 and 2024 (Note 25).

Segment Reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for resource allocation and assessing performance of the operating segment, has been identified as the President. The nature of the operating segment is set out in Note 6.

Linked Transactions
There are circumstances which indicate that multiple arrangements should be accounted for as a single transaction. In determining whether to account for the arrangements as a single transaction, the Group shall consider the terms and conditions of the arrangements and their economic effects. One or more of the following indicate that Group should for the multiple arrangements as a single transaction:

- entered into at the same time or in contemplation of each other;
- form a single transaction designed to achieve an overall commercial effect;
- the occurrence of one arrangement is dependent on the occurrence of at lease one other arrangement; and
- one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

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

Events After the Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the consolidated financial statements when material.

5. Material Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

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

Determination of lease term of contracts with renewal and termination options - Company as a lessee
The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal (i.e., construction of significant leasehold improvements). After the commencement date, the Group reassess the lease term if there is a significant event or change in

circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Right to access - performance obligation satisfied over time
The Group considered the following in assessing whether the non-refundable upfront franchise fee is a right to access the Uncle John and TGP licenses: (a) the franchisee reasonably expects that the entity will undertake activities that will significantly affect the license to which the customer has rights (i.e., the characters); (b) the rights granted by the franchise agreement directly expose the franchisee to any positive or negative effects of the Group's activities because the franchise agreement requires the customer to use the latest characters; and (c) even though the franchisees may benefit from those activities through the rights granted by the franchise agreement, they do not transfer a good or service to the customer as those activities occur.

The Group concludes that nonrefundable upfront franchise fee is a payment to provide the franchisees with access to the Uncle John's and TGP licenses as it exists throughout the franchise period. Consequently, the entity accounts for the upfront franchise fee as a performance obligation satisfied over time.

Determination if consideration received from suppliers is not distinct
The Group, in the ordinary course of business, received consideration from suppliers for product placements (e.g., slotting fees) and other programs. The Group determines that the consideration received from the suppliers is not in exchange for a distinct good or service that transfers to the supplier because of the following considerations:

- the standalone selling price of the good or service for which the consideration is received cannot be reasonably estimated; and
- the supplier does not obtain control of the goods or service.

Under PFRS 15, considerations received from the suppliers under normal trade agreements are deducted from the cost of the merchandise purchased from the supplier.

Accounting for investments in G2M through convertible note
The Group has investments in G2M Solutions Philippines Pte. Ltd. through convertible note which will provide the Group 14.90% ownership interest, respectively, upon conversion of the note. The Group assessed that it has significant influence as evidenced by provision of technical information, board seats and service agreement in the term sheet. Thus, the investments are accounted for as investments in associates (Note 13). In August 2024, the Group received a consideration in exchange for shares which reduced the ownership in G2M to 13.44% as of December 31, 2025 and 2024.

Determination of control
The Group determined that it has control or no control over its investees by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

The following were also considered:
- The contractual arrangement with the other vote holders of the investee (i.e., reserved matters);
- Rights arising from other contractual agreements;
- The Group's voting rights and potential voting rights; and
- Redemption features that override any indication of control.

Contingencies
The Group is currently involved in certain legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the

defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the Group's financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 30).

Evaluation of impairment on nonfinancial assets
The Group reviews its nonfinancial assets (property and equipment, ROU assets, investments in associates and other nonfinancial assets) for impairment of value. This includes considering certain indications of impairment such as significant change in asset usage, significant decline in asset's market value, obsolescence or physical damage of an asset, and significant negative industry or economic trends.

If such indications are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to recoverable amount. The recoverable amount is calculated as the higher of the asset's fair value less cost to sell, or its value-in-use (VIU).

The fair value less cost to sell is the amount to be received from the sale of an asset in an arm's length transaction, while VIU is the present value of estimated future cash flows expected to arise from the nonfinancial assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

In 2025 and 2024, the Group did not recognize any impairment loss on its nonfinancial assets.

<u>Management's Use of Estimates</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of goodwill and trademarks
In the course of the Group's business combinations, goodwill and trademarks were acquired (Note 14). These assets have indefinite useful lives.

The Group performed its annual impairment test as of December 31, 2025 and 2024. The recoverable amounts of the CGUs have been determined based on the higher of value-in-use (VIU) and fair value less cost to sell (i.e., enterprise value or earnings before interest, taxes, depreciation and amortization (EV/EBITDA) multiple calculations).

The recoverable amount of some CGU has been determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the demand for products and services.

The pre-tax discount rate applied to cash flows projections is 12.20% to 14.90% for pharmaceutical and non-pharmaceutical group in 2025 (10.00% to 12.60% for 2024) and cash flows beyond the five-year period are extrapolated using a 2.00% to 5.00% in 2025 growth rate (5.00% in 2024) that is the same as the long-term average growth rate for the respective industries. As a result of this analysis, management concluded that the goodwill and trademarks are not impaired.

The calculation of value in use of the CGUs is most sensitive to the following assumptions:
- Gross margins
- Discount rate

- Growth rates used to extrapolate cash flows beyond the forecast period

Gross margins
Gross margins are based on average values achieved in one (1) to five (5) years preceding the beginning of the budget period. These are increased over the budget period for anticipated efficiency improvements. A 20.6% to 27.9% gross margin per annum was applied in 2025 (15.0% to 33.0% in 2024). A decrease in demand can lead to a decline in gross margin.

Discount rates
Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates
Rates are based on published industry research. A reduction in the long-term growth rate could result in impairment.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as growth rates and gross margins.

In 2026 and 2025, the Group recognized provision for impairment loss on its goodwill amounting to nil and ₱286.04 million, respectively. As of June 30, 2026 and December 31, 2025, the carrying values of goodwill and trademarks are disclosed in Note 14.

Leases - estimating the incremental borrowing rate (IBR)
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain estimates based on the Group's credit worthiness.

Provision for ECL of trade and other receivables
The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Provision for expected credit losses for the six months ended June 30, 2026 and 2025 amounted to ₱21.93 million and ₱12.99 million, respectively. As of June 30, 2026 and December 31, 2025,

allowance for expected credit losses on trade receivables amounted to ₱88.20 million and ₱68.42 million, respectively.
As of June 30, 2026 and December 31, 2025, the carrying value of the Group's trade and other receivables amounted to ₱3.12 billion and ₱3.87 billion, respectively (Note 8).

Estimating NRV of merchandise inventories
The Group carries merchandise inventory at NRV whenever the utility of it becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels, losses or other causes. The estimate of the NRV is reviewed regularly.
Estimates of NRV are based on the most reliable evidence available at the time the estimates are made on the amount the inventories are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date.
Provision for inventory obsolescence for the six months ended June 30, 2026 and 2025 amounted to ₱40.47 million and ₱20.15 million, respectively. As of June 30, 2026 and December 31, 2025, allowance for inventory obsolescence amounted to ₱199.14 million and ₱176.46 million, respectively. As of June 30, 2026 and December 31, 2025, the carrying value of the Group's merchandise inventories amounted to ₱35.39 billion and ₱34.65 billion, respectively (Note 9).

Recoverability of deferred tax assets
The Group reviews the carrying amounts of deferred tax asset at each reporting date and reduces them to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Management has determined based on business forecast of succeeding years that there is enough taxable income against which recognized deferred tax assets will be realized. As of June 30, 2026 and December 31, 2025, the Group has deferred tax assets amounting ₱5.84 billion and ₱6.20 billion, respectively (Note 24).

Fair value of financial assets and financial liabilities
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

6. **Operating Segments**

Business Segment
The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Group financing (including interest income, dividend income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest and taxes, and earnings before interest and taxes, depreciation and amortization. The Group does not report its results based on geographical segments because the Philippines is its geographical area of operation.

Cost and expenses exclude interest, taxes, depreciation and amortization.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statement of financial position which is in accordance with PFRS Accounting Standards.

The Group uses business segments as its primary reporting format because its risks and returns are affected by the performance of each operating segment. Financing activities and income taxes are managed at the Group level and are not allocated to individual segments. As the Group operates only in the Philippines, it does not present geographic segment information. The Group's operations are organized into the following business segments:

Food Segment operates supermarket, hypermarket, minimart, and convenience store formats that offer food, beverages, and everyday essentials.

Drugstore Segment offers medicines, health and wellness products, personal care items, and other convenience goods.

Department Store Segment sells a wide range of general merchandise, including clothing, footwear, bags, accessories, beauty and personal care products, and household items.

DIY Segment provides hardware, tools, home improvement products, and construction materials for homeowners and contractors.

Specialty Segment sells a diverse range of products, including electronics and appliances, toys, mass merchandise, pet retail, beauty products, lifestyle sneakers, and motorcycles.

Business-to-Business (B2B) Segment provides grocery sourcing and delivery services to sari-sari store owners through a digital platform.

The revenue of the Group consists mainly of sales to external customers through its retail and e-commerce channels. There were no inter-segment revenue arising from purchase arrangements as of June 30, 2026 and 2025.

The Group has no significant customer that contributed to 10.00% or more to the revenue of the Group.

7. Cash and Cash Equivalents

This account consists of cash on hand and in banks and cash equivalents amounting to ₱9.28 billion and ₱15.28 billion as of June 30, 2026 and December 31, 2025, respectively.

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of one (1) to three (3) months, depending on the immediate cash requirements of the Group, and earn annual interest at the respective short-term investment rates ranging from 2.33% to 5.25% as of June 30, 2026 and 2.45% to 5.9% as of December 31, 2025.

Interest income arising from cash in banks and cash equivalents amounted to ₱74.99 million, and ₱60.79 million for the six months ended June 30, 2026 and 2025, respectively.

8. Trade and Other Receivables

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade (Note 23)	**₱1,502,728,459**	₱3,253,026,317
Less allowance for impairment losses	**88,196,887**	68,418,291
	1,414,531,572	3,184,608,026
Nontrade (Note 23)	**1,667,532,488**	667,489,385
Due from franchisees (Note 28)	**35,884,786**	14,645,750
	₱3,117,948,846	₱3,866,743,161

Trade receivables are noninterest-bearing and are generally collectible on 1 to 30-day terms.

Movements in the allowance for impairment losses on trade receivables, which were collectively identified as impaired, follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱68,418,291**	₱33,068,218
Provision for impairment losses (Note 20)	**21,932,265**	53,929,036
Reversals and write-offs	**(2,153,669)**	(18,578,963)
Balance at end of period	**₱88,196,887**	₱68,418,291

Nontrade receivables include receivable from insurance companies, receivable from lessees, dividends receivable on equity securities, interest receivable arising from debt securities and cash equivalents, and receivables from sale of debt securities. These are noninterest-bearing and are generally collectible within one (1) year.

9. Merchandise Inventories

The roll-forward analysis of this account follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱34,830,652,491**	₱31,805,903,781
Add:		
Purchases - net of purchase discounts and allowances	**81,528,818,706**	160,829,147,719
Additions from business combination (Note 2)	**–**	840,908,931
Cost of goods available for sale	**116,359,471,197**	193,475,960,431
Less cost of merchandise sold	**80,766,159,223**	158,645,307,940
	35,593,311,974	34,830,652,491
Less allowance for inventory obsolescence	**199,142,195**	176,460,911
Balance at end of period	**₱35,394,169,779**	₱34,654,191,580

The merchandise inventories are carried at cost. No merchandise inventory is recorded at amount lower than its cost as of June 30, 2026 and December 31, 2025.

Merchandise inventories recognized as cost of merchandise sold amounted to ₱80.77 billion and ₱74.55 billion for the six months ended June 30, 2026 and 2025.

Movements in the allowance for inventory obsolescence follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱176,460,911**	₱133,530,201
Provisions (Note 20)	**40,471,556**	58,745,470
Write-off	**(17,790,272)**	(15,814,760)
Balance at end of period	**₱199,142,195**	₱176,460,911

There were no merchandise inventories that were pledged as security to the Group’s liabilities as of June 30, 2026 and December 31, 2025.

10. Other Current Assets

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Prepayments	**₱1,032,003,708**	₱721,442,496
Creditable withholding taxes	**297,825,855**	187,198,558
Input VAT - net	**729,153,472**	18,498,805
	₱2,058,983,035	₱927,139,859

Prepayments consist of advance payments for rentals, insurance and other prepayments. Creditable withholding taxes are taxes withheld by the withholding agents from payment to the Group and are creditable against the income tax payable. Input VAT is available for offset against output VAT in current and future periods.

11. Debt and Equity Instrument Financial Assets

The Group's debt and equity instruments financial assets classified as at FVOCI and at FVTPL are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Debt securities		
At FVOCI with recycling	**₱158,659,125**	₱1,044,054,203
At FVTPL	**644,412,048**	529,236,517
	803,071,173	1,573,290,720
Equity securities at FVOCI without recycling	**36,047,397,189**	42,524,799,181
	₱36,850,468,362	₱44,098,089,901

Debt Securities

At FVOCI with recycling

The Group's debt securities consist of Peso and Dollar-denominated bond securities with fixed coupon rate per annum ranging from 4.10% to 4.77% and term of five (5) to 10 years.

The roll-forward analysis of debt securities at FVOCI with recycling as of June 30, 2026 and December 31, 2025 follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost		
At beginning of year	**₱907,487,885**	₱2,207,524,734
Reclassification	**–**	(6,102,093)
Disposals	**(742,590,583)**	(1,293,934,756)
At end of period	**164,897,302**	907,487,885
Accumulated changes in fair value		
At beginning of year	**136,566,318**	(189,737,526)
Changes in fair value recognized in other comprehensive income	**(44,960,281)**	561,601,087
Transfer to profit or loss	**(97,844,214)**	(235,297,243)
At end of period	**(6,238,177)**	136,566,318
	₱158,659,125	₱1,044,054,203

Movements in the allowance for expected credit losses follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱–**	₱411,256
Reversals	**–**	(411,256)
Balance at end of period	**₱–**	₱–

The current and noncurrent portions of debt securities at FVOCI with recycling as of June 30, 2026 and December 31, 2025 follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Current portion	**₱–**	₱149,338,350
Noncurrent portion	**158,659,125**	894,715,853
	₱158,659,125	₱1,044,054,203

Accretion of interest pertains to the amortization of interest income resulting from the difference of the carrying value and face value of debt instrument financial assets.

Interest income earned from debt instrument financial assets amounted to ₱5.03 million and ₱5.77 million for the six months ended June 30, 2026 and 2025, respectively.

At FVTPL
The Group's debt securities at FVTPL include investments in Edamama Pte. Ltd., Wholeselect Technology Pte. Ltd., Quick Commerce Technologies lnc. Pte. Ltd., and Konvy Pte. Ltd. through Simple Agreement for Future Equity (SAFE).

The roll-forward analysis of debt securities at FVTPL as of June 30, 2026 and December 31, 2025 follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
At beginning of year	**₱529,236,517**	₱520,729,483
Additions	**91,725,000**	–
Translation adjustments	**23,450,531**	8,507,034
At end of period	**₱644,412,048**	₱529,236,517

In 2024, the Group wrote off its investments in Wholeselect Technology Pte. Ltd. and Quick Commerce Technologies Inc. Pte. Ltd. in the amount of ₱57.85 million.

Equity Securities

The Group's equity securities consist of quoted investment in shares of stocks listed on the PSE. The Group has irrevocably elected to classify these equity investments as FVOCI, as it intends to hold them for the foreseeable future.

The roll-forward analysis of equity securities at FVOCI without recycling as of June 30, 2026 and December 31, 2025 follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost		
At beginning of year	**₱35,271,730,450**	₱34,388,230,450
Additions	**389,500,000**	883,500,000
At end of period	**35,661,230,450**	35,271,730,450
Accumulated changes in fair value		
At beginning of year	**7,253,068,731**	9,238,828,693
Changes in fair value during the year	**(6,866,901,992)**	(1,985,759,962)
At end of period	**386,166,739**	7,253,068,731
	₱36,047,397,189	₱42,524,799,181

The changes in fair value on debt and equity instruments financial assets attributable to the equity holders of the Parent Company follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
At beginning of year	**₱7,390,340,175**	₱9,049,796,293
Changes in fair value during the year	**(6,911,862,273)**	(1,424,158,875)
Transfers to profit or loss	**(97,844,214)**	(235,297,243)
At end of period	**₱380,633,688**	₱7,390,340,175

Investment in Bank of the Philippine Islands (BPI)

The Parent Company's BOD, at its special meeting held on January 5, 2023, approved and confirmed the purchase of an aggregate of 4.4% effective equity interest in BPI through a combination of investments in common shares of BPI and redeemable preferred shares of a holding company with an equity interest in BPI. The transactions were entered into on January 5, 2023, following the agreements signed by the Parent Company, the seller of the shares acquired, and the investee holding company, all on the same date. On January 13, 2023, the Parent Company entered into a new shareholders agreement with the other shareholder of the investee holding company.

Through redeemable preferred shares, the Parent Company has the option to have its investment in the holding company redeemed after two (2) years, in exchange for either cash or BPI shares representing a 1.1% direct ownership in BPI. As of March 27, 2026, the Parent Company has not exercised the option to redeem its investment in the holding company.

The Parent Company paid a total of ₱19.48 billion for the investment on January 13, 2023. Following the said agreements, the Parent Company acquired a 3.3% direct interest in BPI and a 1.1% effective interest in BPI through its investment in the holding company at the time of purchase.

Property dividends declared by BPI
On March 15, 2023, BPI declared property dividends from its treasury shares with an entitlement ratio of 0.0896395563 share for every one (1) common share held by a stockholder, with any fractional share paid in cash. On June 13, 2023, the Philippine SEC approved the property dividend declared by BPI. On June 21, 2023, the Parent Company received the 13,329,307 property dividend shares from BPI.

Merger between BPI and RBC
On December 15, 2023, the Bangko Sentral ng Pilipinas (“BSP“) notified BPI and RBC of the approval by the Monetary Board under Resolution No. 1633 dated December 14, 2023, regarding the merger between RBC and BPI, with BPI as the surviving entity, subject to compliance with the conditions stated therein.

On December 29, 2023, the Philippine SEC approved the merger between BPI and RBC, with BPI as the surviving bank.

As a result of the receipt of all corporate and regulatory approvals, RBC and BPI have merged, effective January 1, 2024, with BPI as the surviving entity. Post-merger, the Parent Company directly and indirectly owns approximately 6.5% of BPI, with 2.4% coming from the Merger Shares. The investment purchased last January 13, 2023, which represented 4.4% ownership, was diluted to 4.1% due to additional shares issued by BPI as a result of the merger.

The Parent Company recognized an unrealized gain of ₱4.86 billion on the recognition of BPI shares arising from the merger of RBC and BPI and this was presented under “Other income (charges)” in the consolidated statements of comprehensive income. This unrealized gain reflects the difference between the book value of investments in RBC, which was previously reported under the “Noncurrent assets held for sale” line item in the 2023 consolidated statement of financial position, and the fair value of BPI shares received.

As of June 30, 2026 and December 31, 2025, the fair value of investment in BPI amounted to ₱32.80 billion and ₱39.66 billion, respectively.

Investments in GoTyme Bank Corporation (GoTyme)
On December 28, 2021, the Parent Company acquired 20.0% ownership interest in GoTyme or 200 million shares for a total consideration of ₱200.00 million or ₱1.00 per share. Accordingly, the Parent Company accounted for its investments in GoTyme as part of investments in associates.

In 2024, the Parent Company reclassified its investments in GoTyme to the “Debt and equity instruments financial assets” line item in the consolidated statement of financial position due loss of significant influence related to the decrease in its ownership interest from 20.0% to 19.0%. As a result of this reclassification, the Group recognized an unrealized gain of ₱941.01 million on the fair value adjustment arising from excess of fair value measurement of retained interest over carrying value of investments in GoTyme and this was presented under “Other income (charges)” in the consolidated statements of comprehensive income.

In 2026 and 2025, the Parent Company made additional capital investment amounting to ₱481.23 million and ₱883.50 million, respectively.

As of June 30, 2026 and December 31, 2025, the fair value of investments in GoTyme amounted to ₱2.86 billion.

The Group’s dividend income earned from debt and equity securities amounted to ₱850.39 million and ₱737.09 million for the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026 and December 31, 2025, the Group's dividend receivable from equity instruments financial assets amounted to ₱194.51 million and ₱86.20 million, respectively (Note 8).

12. Property and Equipment

June 30, 2026 (Unaudited)

	2026							
	Land	Building and Other Equipment	Leasehold Improvements	Store Furniture and Fixtures	Office Furniture and Fixtures	Transportation Equipment	Computer Equipment	Total
Cost								
At beginning of year	₱5,035,350,019	₱3,713,281,082	₱25,945,730,030	₱13,256,755,050	₱8,535,390,462	₱267,713,489	₱6,483,127,048	₱63,237,347,180
Additions	–	68,765,827	1,047,915,448	514,503,859	380,830,108	8,853,125	296,775,542	2,317,643,909
Additions from business combination (Note 2)	–	–	–	–	–	–	–	–
Disposals	–	–	(3,105,136,772)	(2,743,897,766)	(83,470,197)	(29,719,583)	(921,086,527)	(6,883,310,845)
At end of period	5,035,350,019	3,782,046,909	23,888,508,706	11,027,361,143	8,832,750,373	246,847,031	5,858,816,063	58,671,680,244
Accumulated depreciation and amortization								
At beginning of year	–	1,904,945,829	15,676,317,008	8,783,435,727	4,979,698,943	257,626,685	4,067,805,346	35,669,829,538
Depreciation and amortization (Note 20)	–	87,210,015	786,714,319	454,509,722	334,030,704	7,915,931	251,412,845	1,921,793,536
Additions from business combination (Note 2)	–	–	–	–	–	–	–	–
Disposals	–	–	(3,105,136,772)	(2,743,897,766)	(83,470,197)	(29,719,583)	(921,086,527)	(6,883,310,845)
At end of period	–	1,992,155,844	13,357,894,555	6,494,047,683	5,230,259,450	235,823,033	3,398,131,664	30,708,312,229
Net book value	₱5,035,350,019	₱1,789,891,065	₱10,530,614,151	₱4,533,313,460	₱3,602,490,923	₱11,023,998	₱2,460,684,399	₱27,963,368,015

December 31, 2025 (Audited)

	2025							
	Land	Building and Other Equipment	Leasehold Improvements	Store Furniture and Fixtures	Office Furniture and Fixtures	Transportation Equipment	Computer Equipment	Total
Cost								
At beginning of year	₱5,033,850,019	₱3,601,365,356	₱23,338,018,353	₱11,749,565,382	₱7,501,945,137	₱225,309,457	₱5,627,673,971	₱57,077,727,675
Additions	–	110,377,739	2,410,723,331	1,480,529,715	1,033,020,173	4,727,853	873,110,229	5,912,489,040
Additions from business combination (Note 2)	1,500,000	2,122,000	406,045,843	144,504,987	26,186,163	48,426,745	–	628,785,738
Disposals	–	(584,013)	(209,057,497)	(117,845,034)	(25,761,011)	(10,750,566)	(17,657,152)	(381,655,273)
At end of period	5,035,350,019	3,713,281,082	25,945,730,030	13,256,755,050	8,535,390,462	267,713,489	6,483,127,048	63,237,347,180
Accumulated depreciation and amortization								
At beginning of year	–	1,761,662,573	14,011,765,185	8,001,367,636	4,382,361,792	211,758,051	3,663,261,037	32,032,176,274
Depreciation and amortization (Note 20)	–	143,032,028	1,546,726,887	764,981,246	596,793,260	14,326,672	421,440,335	3,487,300,428
Additions from business combination (Note 2)	–	831,117	325,063,842	133,108,263	25,538,808	42,292,528	–	526,834,558
Disposals	–	(579,889)	(207,238,906)	(116,021,418)	(24,994,917)	(10,750,566)	(16,896,026)	(376,481,722)
At end of period	–	1,904,945,829	15,676,317,008	8,783,435,727	4,979,698,943	257,626,685	4,067,805,346	35,669,829,538
Net book value	₱5,035,350,019	₱1,808,335,253	₱10,269,413,022	₱4,473,319,323	₱3,555,691,519	₱10,086,804	₱2,415,321,702	₱27,567,517,642

As of June 30, 2026 and December 31, 2025, the Group has disposed of property and equipment with net book value of nil and ₱5.17 million, respectively.

Cost of fully depreciated property and equipment still in use amounted to ₱16.12 billion and ₱19.81 billion as of June 30, 2026 and December 31, 2025, respectively.

There were no property and equipment pledged as security to the Group's liabilities as of June 30, 2026 and December 31, 2025.

13. Investments in Associates

This account consists of investments in shares of stock as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
HD Retail Holding Pte. Ltd. (HD Retail)	**₱1,669,107,315**	₱1,294,615,890
G2M Solutions Philippines, Inc. (G2M)	**990,047,986**	957,373,136
Digital Analytics Ventures, Inc. (DAVI)	**–**	–
	₱2,659,155,301	₱2,251,989,026

HD Retail
On June 3, 2021, NDV acquired 24.25% ownership interest in HD Retail for a total consideration of ₱179.07 million. HD Retail's principal activity is to operate as a hard discount store. HD Retail is incorporated in Singapore. As of June 30, 2026 and December 31, 2025, the Group's effective ownership in HD Retail is at 23.72% and 23.67%, respectively.

The movements in investments in HD Retail as of June 30, 2026 and December 31, 2025 follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost		
Balance at beginning of year	**₱2,483,515,422**	₱1,437,505,053
Additions	**615,102,094**	1,046,010,369
Balance at end of period	**3,098,617,516**	2,483,515,422
Accumulated share in net losses		
Balance at beginning of year	**(1,306,013,844)**	(800,254,109)
Share in net losses	**(363,481,087)**	(505,759,735)
Balance at end of period	**(1,669,494,931)**	(1,306,013,844)
Share in translation adjustments	**239,984,730**	117,114,312
Carrying value	**₱1,669,107,315**	₱1,294,615,890

HD Retail's total current assets and current liabilities amounted to $119.33 million and $127.51 million as of December 31, 2025, respectively, and $50.59 million and $49.22 million as of December 31, 2024, respectively. HD Retail's total assets and liabilities amounted to $362.88 million and $278.88 million as of December 31, 2025, respectively, and $172.24 million and $127.46 million as of December 31, 2024, respectively. Any excess of the carrying value over the share in net assets is attributable to excess premium paid for the investment.

For the years ended December 31, 2025, 2024 and 2023, HD Retail's total revenues amounted to $536.64 million, $238.90 million, and $107.94 million, respectively. For the years ended December 31, 2025, 2024 and 2023, HD Retail's total cost and expenses amounted to $548.86 million, $266.75 million, and $126.90 million, respectively.

For the years ended December 31, 2025, 2024 and 2023, HD Retail's total comprehensive losses amounted to $35.89 million, $32.47 million, and $18.85 million, respectively.

G2M
On September 20, 2018, the Parent Company made investments in G2M amounting to ₱160.65 million through a convertible note which will provide the Parent Company a 14.90% ownership interest upon conversion of the note. The terms of the agreement also provide and entitled the Parent Company to one (1) out of three (3) Board seats. G2M is principally engaged in the business of providing neighborhood sundry stores enablement platform and software in the Philippines. G2M is incorporated in Singapore. On September 16, 2020, the Parent Company assigned its investment in G2M to NDV. In 2022 and 2021, the Group made additional cash infusion to G2M amounting to ₱495.33 million and ₱33.90 million, respectively. As of June 30, 2026 and December 31, 2025, the Group's effective ownership in G2M is at 13.44%.

The movements in investments in G2M as of June 30, 2026 and December 31, 2025 follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost		
Balance at beginning of year	**₱900,478,129**	₱900,478,129
Disposals	**–**	–
Balance at end of period	**900,478,129**	900,478,129
Accumulated share in net losses		
Balance at beginning of year	**(97,391,790)**	(76,193,020)
Share in net losses	**(11,830,025)**	(21,198,770)
Disposals	**–**	–
Balance at end of period	**(109,221,815)**	(97,391,790)
Share in translation adjustments	**198,791,672**	154,286,797
Carrying value	**₱990,047,986**	₱957,373,136

In 2024, the Group disposed 3,452 G2M shares in exchange for ₱38.19 million ($683,054) and this resulted to a gain of ₱28.55 million.

G2M's total current assets and current liabilities amounted to $80.83 million and $0.54 million as of December 31, 2025, respectively, and $83.57 million and $0.21 million as of December 31, 2024, respectively. G2M's total assets and liabilities amounted to $83.18 million and $0.54 million as of December 31, 2025, respectively, and $85.92 million and $0.21 million as of December 31, 2024, respectively. Any excess of the carrying value over the share in net assets is attributable to excess premium paid for the investment.

G2M's revenue amounted to nil for the years ended December 31, 2025, 2024, and 2023. G2M's total cost and expenses amounted to $3.67 million, $3.64 million, and $3.98 million for the years ended December 31, 2025, 2024 and 2023, respectively. G2M's total comprehensive losses amounted $2.89 million, $2.15 million, and $3.98 million for the years ended December 31, 2025, 2024 and 2023, respectively.

DAVI
On November 16, 2018, the Parent Company subscribed to 40% ownership interest in DAVI for a total consideration of ₱0.40 million. DAVI is incorporated in the Philippines and primarily engages in processing, managing and analyzing data. DAVI is incorporated in the Philippines.
From 2019 to 2023, the Parent Company made various capital infusions totaling to ₱451.6 million. In 2024, the Parent Company made additional capital infusions amounting to ₱40.00 million, with no changes in ownership interest in DAVI.

The movements in the investments in DAVI for the years ended December 31 follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost		
Balance at beginning and end of period	**₱492,000,000**	₱492,000,000
Accumulated share in net losses		
Balance at beginning and end of period	**(492,000,000)**	(492,000,000)
Carrying value	**₱–**	₱–

DAVI's total current assets and current liabilities amounted to ₱1.23 billion and ₱1.36 billion as of December 31, 2025, respectively, and ₱1.10 billion and ₱1.24 billion as of December 31, 2024, respectively. DAVI's total assets and liabilities amounted to ₱1.23 billion and ₱1.38 billion as of December 31, 2025, respectively, and ₱1.13 billion and ₱1.26 billion as of December 31, 2024, respectively.

For the years ended December 31, 2025, 2024 and 2023, DAVI's total revenues amounted to ₱300.69 million, ₱459.80 million, and ₱223.08 million, respectively. For the years ended December 31, 2025, 2024 and 2023, DAVI's total cost and expenses incurred amounted to ₱391.05 million, ₱374.53 million, and ₱515.85 million, respectively.

For the years ended December 31, 2025, 2024 and 2023, DAVI's total comprehensive losses amounted to ₱18.65 million, ₱71.59 million, and ₱292.73 million, respectively.

The Group's unrecognized share in net losses of DAVI amounted to ₱27.04 million and ₱78.92 million as of December 31, 2025 and 2024, respectively.

GoTyme
In 2024, the Group's investments in GoTyme were reclassified to "Debt and equity instrument financial assets" as a result of loss of significant influence and this amounted to ₱1,347.07 million (Note 11).

In 2023, the Parent Company had 20.00% ownership interest in GoTyme. GoTyme's principal activity is to operate as a digital bank and is incorporated in the Philippines. In 2023, the Parent Company made additional capital infusions amounting to ₱356.50 million, with no changes in ownership interest in GoTyme.

Super Pumped
In February 2022, NDV acquired 20% ownership in Super Pumped for a total consideration ₱61.61 million. Super Pumped is incorporated in Singapore. In 2024, NDV has disposed its investments in Super Pumped in exchange for ₱17.07 million ($332,547) and this resulted to a loss of ₱41.79 million.

RBC
Prior to the merger (Note 11), the Parent Company had 40.00% ownership interest in RBC. RBC was incorporated in the Philippines and was engaged in commercial and thrift banking whose principal activities included deposit-taking, lending, foreign exchange dealing and fund transfers or remittance servicing. In December 2023, the Group received dividends from RBC amounting to ₱404.57 million, and this was recognized as dividend income following the discontinuance of the equity method of accounting. In 2024, the Group recognized the fair value of BPI shares received which amounted to ₱13,062.32 million under equity investments as FVOCI (Note 11).

14. Intangible Assets

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Goodwill	**₱14,439,296,767**	₱14,439,296,767
Trademarks	**8,314,899,133**	8,314,899,133
Franchise	**1,769,467**	2,085,443
	₱22,755,965,367	₱22,756,281,343

Goodwill
As of June 30, 2026 and December 31, 2025, the Group's goodwill pertains to the excess of acquisition cost over the fair value of the net assets of acquired subsidiaries which also represent separate CGUs:

RSCI	₱9,109,386,061
RPI	2,343,614,826
TGPPI	1,281,428,830
SSDI	745,887,131
SEWI	429,062,321
EC	199,870,222
RHIB	145,655,320
RTSHPI	85,161,468
JRMC	71,732,435
GPC	23,250,000
HPTDI	4,248,153
	₱14,439,296,767

The business combinations of the Group resulted in the recognition of goodwill, which comprises the fair value of expected synergies arising from acquisition.

In 2025, the Group recognized provision for impairment loss on its goodwill arising from SEWI amounting to ₱286.04 million, and this was presented under "Others" line item in the "Other income (charges)" section in the statements of comprehensive income.

As of June 30, 2026 and December 31, 2025, the recoverable values of the CGUs to which the goodwill pertains is in excess of the carrying value of the CGUs, except for SEWI.

Trademarks
As of June 30, 2026 and December 31, 2025, the Group's trademarks were acquired through business combinations and were recognized at fair value at the date of acquisition. Details follow:

RSCI	₱3,205,411,607
SSDI	1,566,917,532
RPI	1,514,575,531
TGPPI	1,264,098,435
SEWI	364,914,493
PBC (Note 2)	363,981,535
SFI	35,000,000
	₱8,314,899,133

Franchise
On January 10, 2018, Pet Lovers Centre International Pte. Ltd, granted the Group the right to develop its business including its trademarks, system, manuals and image in the Philippines for a total consideration of ₱7.58 million. The Group started Pet Lovers Centre operations in October 2018. The franchise is amortized using straight-line method over a period of 10 years.

The roll-forward analysis of the franchise follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱2,085,443**	₱2,843,786
Amortization for the period (Note 20)	**(315,976)**	(758,343)
Balance at end of period	**₱1,769,467**	₱2,085,443

15. **Other Noncurrent Assets**

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Security and other deposits	**₱2,812,126,112**	₱2,661,182,483
Construction bonds	**53,593,359**	48,716,784
	₱2,865,719,471	₱2,709,899,267

Security and other deposits include refundable deposits at the end of the lease term (Note 27). The present values of these deposits were computed using incremental borrowing rates ranging from 6.46% to 7.20% and 5.82% to 6.46% as of June 30, 2026 and December 31, 2025, respectively.

Interest income recognized from these security deposits amounted to ₱5.72 million and ₱4.88 million for the six months ended June 30, 2026 and 2025, respectively.

16. Trade and Other Payables

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade	**₱15,438,794,871**	₱17,270,786,405
Nontrade (Note 23)	**8,993,762,452**	11,227,976,566
Others	**1,728,323,689**	665,560,068
	₱26,160,881,012	₱29,164,323,039

Trade payables are noninterest-bearing and are normally settled on 45 to 60 in days' term arising mainly from purchases of merchandise inventories for resale.

Nontrade payables mainly consist of liabilities relating to short-term rentals, and providers of services such as security and safety, utilities and repairs and maintenance, contract liabilities, output VAT, interest payable and due to related parties. The terms and conditions of related party transactions are separately disclosed in Note 23. Other payables consist mainly of statutory liabilities, deposits and license payables. Output VAT is offset against input VAT.

Contract Liabilities

The Group identified its gift check outstanding, recorded under nontrade payables, as contract liabilities as of June 30, 2026 and December 31, 2025. These represent the Group's obligation to provide goods or services to the customers for which the Group has received consideration from the customers. Substantially, all of the contract liabilities at year-end will be recognized as revenue in the following year.

Below is the roll-forward of contract liabilities as of June 30, 2026 and December 31, 2025:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱319,544,837**	₱281,070,462
Deferred during the year	**291,616,100**	668,237,000
Recognized as revenue during the year	**(325,387,132)**	(629,762,625)
Balance at end of period	**₱285,773,805**	₱319,544,837

17. **Loans Payable**

Details of the Parent Company's and its subsidiaries' short-term loans are as follows:

Short-term loans payable
The roll-forward analysis of the Group's short-term loans payable follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱28,105,000,000**	₱14,714,000,000
Availments	**1,635,000,000**	24,031,000,000
Payments	**(2,550,000,000)**	(10,640,000,000)
Balance at end of period	**₱27,190,000,000**	₱28,105,000,000

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
RRHI	**₱15,116,000,000**	₱16,116,000,000
RSC	**5,405,000,000**	4,870,000,000
SSDI	**3,589,000,000**	3,689,000,000
RHMI	**1,750,000,000**	1,750,000,000
RDSI	**590,000,000**	590,000,000
RPI	**550,000,000**	550,000,000
RAC	**50,000,000**	200,000,000
PBC	**–**	200,000,000
S50	**70,000,000**	70,000,000
RTSH	**70,000,000**	70,000,000
	₱27,190,000,000	₱28,105,000,000

a. RRHI's short-term loans payable consists of loan availment from local commercial banks with interest rates ranging from 4.50% to 4.85% per annum in 2026 and 4.75% to 5.54% per annum in 2025. The total availments of short-term loans amounting to ₱16.89 billion include ₱1.12 billion with interest rate of 4.75% per annum and ₱15.77 billion with interest rates ranging from 4.85% to 5.54% per annum (Note 18). In 2026 and 2025, the Parent Company made partial payments on this loan amounting to ₱1.00 billion and ₱770.00 million, respectively.

b. RSC's short-term loans payable consist of loan availments from local commercial banks with interest rates ranging from 4.50% to 4.85% per annum in 2026 and 4.60% to 5.90% per annum in 2025. In 2026 and 2025, RSC availed of short-term loans amounting to ₱1.64 billion and ₱3.94 billion, respectively. In 2026 and 2025, RSC paid ₱1.1 billion and ₱8.76 billion, respectively.

c. SSDI's short-term loans payable consist of loan availments from local commercial banks with interest rates ranging from 4.65% to 5.05% per annum in 2026 and 4.85% to 6.15% per annum in 2025. In 2025, SSDI availed of short-term loans amounting to ₱600.00 million. In 2026 and 2025, SSDI paid ₱100.00 million and ₱580.00 million, respectively.

d. RHMI's short-term loans payable consist of loan availment from local commercial banks with interest rates ranging from 4.70% to 5.05% per annum in 2026 and 4.80% to 5.80% per annum in 2025. In 2025, RHMI availed of short-term loans amounting to ₱1.75 billion.

e. RPI's short-term loans payable consist of loan availments from a local commercial bank with interest rate ranging from 4.70% to 5.10% per annum in 2026 and 4.85% to 5.80% per annum in 2025. RPI paid ₱300.00 million in 2025 and availed of short-term loans amounting ₱550.00 million in 2024.

f. RDSI's short-term loans payable consist of loan availments from a local commercial bank with interest rates ranging from 4.80% to 5.10% per annum in 2026 and 4.95% to 6.05% per annum in 2025. In 2025, RDSI availed of short-term loans amounting to ₱230.00 million. In 2025 and 2024, RDSI paid ₱30.00 million and ₱220.00 million, respectively.

g. RAC's short-term loans payable consist of loan availment from a local commercial bank with interest rates ranging from 4.70% to 5.05% per annum in 2026 and 4.85% to 6.20% per annum in 2025. In 2025, RAC availed of short-term loans amounting to ₱300.00 million. In 2026 and 2025, RAC paid ₱150.00 million and ₱200.00 million, respectively.

h. PBC's short-term loans payable consist of loan availment amounting to ₱200.00 million from a local commercial bank with interest rates ranging from 4.70% to 5.05% in 2026 and 5.05% per annum in December 2025. PBC paid ₱200.00 million in 2026.

i. S50's short-term loans payable consist of loan availments from a local commercial bank with interest rates ranging from 4.80% to 5.05% per annum in 2026 and 4.85% to 6.00% per annum in 2025. S50 availed short-term loans amounting to ₱60.00 million in 2025.

j. RTSH's short-term loans payable consist of loan availment from local commercial banks with interest rates ranging from 4.70% to 4.95% per annum in 2026 and 4.95% per annum in 2025. In 2025, RHMI availed of short-term loans amounting to ₱70.00 million.

Long-term loans payable
On April 11, 2023, the Parent Company and RSC availed of a long-term loan amounting to ₱10.65 billion and ₱4.84 billion, respectively, with interest rate of 6.75% per annum and payable after five (5) years. The transaction costs of ₱116.18 million, related to documentary stamp tax, were capitalized and amortized over the term of loan. Partial payments for the long-term loans payable amounted to ₱1.2 billion and ₱5.00 billion in 2025 and 2024, respectively. The long-term loans payable are subject to certain covenants including maintaining a maximum consolidated net debt-to-equity ratio of 2:1 for RRHI and consolidated net debt-to-equity ratio of 2:1 for RSC. As of June 30, 2026 and December 31, 2025, RRHI and RSC are in compliance with the required ratio.

On September 23, 2025, RSC availed of a long-term loan amounting to ₱7.81 billion, with interest rate of 5.50% per annum and payable after five (5) years. The loan was used to settle short-term loans. The transaction costs of ₱58.58 million, related to documentary stamp tax, were capitalized and amortized over the term of loan. The long-term loan requires a maximum net debt-to-equity ratio of 3:1. As of June 30, 2026 and December 2025, RSC is in compliance with the required ratio.

The roll-forward analysis of the Group's long-term loans payable follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Principal		
Balance at beginning of year	**₱14,950,000,000**	₱8,340,000,000
Availments	**–**	7,810,000,000
Payments	**–**	(1,200,000,000)
Balance at end of period	**14,950,000,000**	14,950,000,000
Deferred transaction costs		
Balance at beginning of year	**(121,965,473)**	(78,203,694)
Additions	**–**	(58,575,000)
Amortization	**17,334,659**	14,813,221
Balance at end of period	**(104,630,814)**	(121,965,473)
Carrying value	**₱14,845,369,186**	₱14,828,034,527

As of June 30, 2026 and December 31, 2025, the balances of the long-term loans follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
RRHI	**₱2,260,386,921**	₱2,251,921,908
RSC	**12,584,982,265**	12,576,112,619
	₱14,845,369,186	₱14,828,034,527

Total interest expense incurred on short-term and long-term loans payable, including amortization of deferred transaction costs, amounted to ₱1.2 billion and ₱856.90 million for the six months ended June 30, 2026 and 2025, respectively.

18. Equity

Capital Stock

The details of the Parent Company's capital stock as of June 30, 2026 and December 31, 2025 follow:

	Number of Shares		**Amount**	
	June 30, 2026	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**
Common stock - ₱1 par value				
Authorized shares	**2,000,000,000**	2,000,000,000	**₱2,000,000,000**	₱2,000,000,000
Issued shares	**1,418,101,745**	1,576,489,360	**1,418,101,745**	1,576,489,360
Issued and outstanding shares	**1,065,618,535**	1,065,618,535	**1,065,618,535**	1,065,618,535
Treasury shares	**352,483,210**	510,870,825	**(16,880,682,500)**	(24,713,961,486)

Registration Track Record

On November 11, 2013, the Parent Company listed with the Philippine Stock Exchange (PSE) its common stock wherein it offered 484,750,000 shares to the public at ₱58.00 per share. All shares offered were sold. The Parent Company incurred transaction costs incidental to the initial public offering amounting to ₱745.65 million, which were charged against "Additional paid-in capital" in the 2013 consolidated statement of financial position.

Of the total shares sold to the public, the Parent Company reacquired 18,971,950 common shares in 2013 at ₱58.00 per share or an aggregate cost of ₱1.10 billion. In 2014, the Parent Company's BOD approved the sale of 18,971,950 common shares, previously held as treasury shares, at a selling price of ₱69.00 per share, with a total gross selling proceeds of ₱1.31 billion. In December 2014, the Parent Company received the net cash proceeds of ₱1.30 billion, net of the transaction costs amounting ₱8.22 million. The excess of net proceeds over the aggregate cost was recorded under "Additional paid-in capital" amounting to ₱200.47 million.

Following these transactions, all common shares held in treasury by the Parent Company have already been reissued as of December 31, 2013.

On March 27, 2026, the Board of Directors approved the voluntary delisting of the Company's shares from the PSE, following the receipt of a notice of intent to conduct a tender offer from JE Holdings, Inc., a Philippine holding company and RRHI's largest shareholder, subject to compliance with all applicable regulatory requirements, including those of the SEC, PSE and PCC.

In the Annual Stockholders' Meeting of the Company held on May 12, 2026, stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the Company approved the Voluntary Delisting, and the number of votes cast against the Voluntary Delisting did not exceed ten percent (10%) of the total outstanding and listed shares of the Company.

Following the close of the Tender Offer Period, a total of 229,579,555 Common Shares, representing approximately 21.54% of the issued and outstanding capital stock of the Company, were validly tendered by shareholders of the Company and accepted by JE Holdings. The Tendered Shares were crossed through the facilities of the PSE on July 13, 2026 and settled on July 15, 2026. The Tendered Shares were purchased by the JE Holdings at the Tender Offer Price for a total consideration of ₱11.09 billion.

Below is the summary of the Parent Company's track record of registration of securities:

Year	Number of Shares Registered*	Number of Holders of Securities
December 31, 2024	1,576,489,360	47
Add/(deduct) movement	−	(2)
December 31, 2025	1,576,489,360	45
Add/(deduct) movement	(158,387,615)	(7)
June 30, 2026	**1,418,101,745**	**38**

**Exclusive of 352,483,210 and 510,870,825 treasury shares as of June 30, 2026 and December 31, 2025.*

Treasury Stock

On March 9, 2020, the Parent Company's BOD authorized the buy-back of the Parent Company's common shares of up to ₱2.00 billion. The repurchased shares are presented under "Treasury stock" line item in the consolidated statement of financial position.

On November 21, 2025, May 30, 2025, July 25, 2024, November 16, 2023, April 27, 2022, February 11, 2022, and February 26, 2021, the Parent Company's BOD approved to extend the share buyback program for an additional amount of ₱2.00 billion, ₱15.77 billion, ₱1.00 billion, ₱1.00 billion, ₱1.00 billion, ₱1.00 billion, and ₱2.00 billion, respectively, to improve share value. As of December 31, 2025 and 2024, the total amount allotted for the share buyback program amounted to ₱25.77 billion and ₱8.00 billion, respectively.

On May 30, 2025, the Parent Company reacquired 315.31 million common shares, representing 22.2% of RRHI's outstanding shares belonging to GCH Investments Pte. Ltd., a subsidiary of DFI Retail Group, for ₱15.77 billion.

As of June 30, 2026 and December 31, 2025, the Parent Company has repurchased 510.87 million for ₱24,713.96 million, under the buyback program. Under the Revised Corporation Code, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired.

The program is being implemented in the open market through the trading facilities of the PSE and supervised by the President and Chief Executive Officer and Chief Financial Officer, as authorized by the BOD.
The movements in the Parent Company's treasury shares follow:

	June 30, 2026		December 31, 2025	
	Shares	**Amount**	Shares	Amount
Balance at beginning of year	**510,870,825**	**₱24,713,961,486**	152,177,000	₱7,600,020,804
Additions	**–**	**–**	358,693,825	17,113,940,682
Retired (Note 1)	**(158,387,615)**	**(7,833,278,986)**	–	–
Balance at end of period	**352,483,210**	**₱16,880,682,500**	510,870,825	₱24,713,961,486

Retirement of treasury shares
On July 25, 2025, the BOD approved the retirement of 158,387,615 treasury shares of the Parent Company. Consequently, on September 16, 2025, the Parent Company's stockholders representing more than 2/3 of the outstanding capital stock approved the amendment of the Articles of Incorporation. On April 29, 2026, the SEC approved the retirement of 158,387,615 treasury shares amounting to ₱7.83 billion.

Equity Reserve
Details of equity reserve follow:

	June 30, 2026	December 31, 2025	December 31, 2024
Acquisition of additional shares from noncontrolling interest			
Balance at beginning of year	**(₱772,041,467)**	(₱772,041,467)	(₱742,678,028)
Additions	–	–	(29,363,439)
Balance at end of period	**(₱772,041,467)**	(₱772,041,467)	(₱772,041,467)

Acquisition of additional shares from a noncontrolling shareholder
On December 3, 2025, RSC purchased the remaining 35% interest in RVC for a consideration of ₱4.

On February 29, 2024, RHMI purchased the remaining 25% minority interest in HPTDI for a total consideration of ₱21.12 million, increasing its share from 75% to 100%. The Group recognized equity reserve from the acquisition amounting to (₱29.36 million) representing the difference between the consideration and the net book value of NCI.

On February 22, 2022, RSC acquired Ministop Japan's (MSJ) 40% stake in RCSI for a consideration of ₱209.39 million, increasing its share from 60% to 100%. The Group recognized equity reserve from the acquisition amounting to ₱225.47 million representing the difference between the consideration and the net book value of NCI.

On July 1, 2022, the Group bought the remaining 33% ownership in RHIB from an NCI for a total consideration of ₱117.56 million. The Group recognized equity reserve in the amount of ₱27.13 million representing the difference between the consideration and the net book value of NCI.

On December 5, 2014, RSC acquired additional 2,500,000 common shares, representing 25% of RHMI from a noncontrolling shareholder for ₱1.45 billion. The Group recognized equity reserve from the acquisition amounting to ₱1.02 billion. In 2015, the total consideration was adjusted from ₱1.45 billion to ₱1.48 billion and the difference was recognized as an adjustment to equity reserve. The adjusted equity reserves amounted to (₱995.28 million) representing the difference between the consideration and the net book value of NCI.

The equity reserve from the acquisition will only be recycled to profit or loss in the event that RSC will lose its control over RHMI.

<u>Retained Earnings</u>
The income of the subsidiaries and accumulated share in net income of the associates that are recognized in the consolidated statements of comprehensive income are not available for dividend declaration unless these are declared by the subsidiaries and associates. The accumulated earnings of subsidiaries included in retained earnings amounted to ₱14.72 billion and ₱19.50 billion as of June 30, 2026 and December 31, 2025, respectively.

Dividend declaration
Details of the Parent Company's dividend declarations follow:

	2026	**2025**	2024
Date of declaration	**April 29, 2026**	May 9, 2025	May 10, 2024
Dividend per share	**₱2.00**	₱2.00	₱2.00
Total dividends	**₱2,131,237,070**	₱2,836,203,490	₱2,907,005,400
Date of record	**May 28, 2026**	May 26, 2025	May 27, 2024
Date of payment	**June 10, 2026**	June 9, 2025	June 10, 2024

Appropriation of retained earnings
The roll-forward analysis of appropriated retained earnings follows:

	2025	2024	2023
Balance at beginning of year	**₱14,304,252,847**	₱16,405,752,847	₱17,277,752,847
Appropriation	**610,000,000**	3,705,000,000	332,000,000
Reversal of appropriation	**(7,666,000,000)**	(5,806,500,000)	(1,204,000,000)
Balance at end of period	**₱7,248,252,847**	₱14,304,252,847	₱16,405,752,847

On December 1, 2022, the Parent Company's BOD authorized and approved the appropriation of the Parent Company's retained earnings amounting to ₱530.00 million to cover the Parent Company's investment program within three (3) years. In 2025, the Parent Company's BOD authorized and approved the reversal of appropriated retained earnings due to completion of its investment program.

The respective BODs of the subsidiaries approved the appropriation of retained earnings which shall be used to augment new stores with the Group's nationwide expansion and these are expected to be completed in the next two (2) to five (5) years from the year of appropriation. Details are as follows:

Entity	**2025**	2024	2023
RAC	**₱230,000,000**	₱180,000,000	₱90,000,000
SEWI	**150,000,000**	–	–
RHMI	**148,000,000**	255,500,000	202,000,000
RTSHPI	**60,000,000**	90,000,000	–
WHMI	**22,000,000**	47,000,000	40,000,000
SSDI	**–**	3,130,500,000	–
HEMI	**–**	2,000,000	–
	₱610,000,000	₱3,705,000,000	₱332,000,000

Reversal of appropriation
The respective BOD of the subsidiaries approved the reversal of appropriated retained earnings due to completion of certain store expansions and renovations.

Entity	**2025**	2024	2023
SSDI	**₱3,130,500,000**	₱2,556,500,000	₱–
RSC	**1,170,500,000**	2,000,000,000	–
RHMI	**2,440,000,000**	1,100,000,000	1,000,000,000
RRHI	**530,000,000**	–	–
SEWI	**305,000,000**	–	–
RTSHPI	**90,000,000**	–	–
WHMI	**–**	150,000,000	200,000,000
HEMI	**–**	–	4,000,000
	₱7,666,000,000	₱5,806,500,000	₱1,204,000,000

Noncontrolling Interests
Total dividends declared and paid to noncontrolling interests follow:

	Total Dividends Declared			**Share of Noncontrolling Interests**		
	2026	2025	2024	**2026**	2025	2024
RHMI	–	₱2,566,700,000	₱1,190,000,000	–	₱513,340,000	₱238,000,000
SSDI	–	4,800,000,000	283,456,380	–	480,000,000	28,345,999
TGPPI	**₱847,000,000**	770,000,000	700,000,000	**₱415,030,000**	377,300,000	343,000,000
RTSHPI	–	106,000,000	5,000,000	–	35,333,319	1,666,666
WHI	–	–	150,000,000	–	–	52,500,000
RAC	–	–	76,999,985	–	–	25,409,995
				₱415,030,000	₱1,405,973,319	₱688,922,660

In 2024, the Group acquired NCI in HPTDI increasing the Group's ownership stake from 75% to 100%.

Material partly owned subsidiary
As of June 30, 2026 and December 31, 2025, the Group has 45.9% proportion of equity interest held by noncontrolling interests attributable to TGPPI, respectively. Accumulated balances of material noncontrolling interests amounted to ₱504.67 million and ₱689.35 million as of June 30, 2026 and December 31, 2025, respectively.

Net income allocated to material noncontrolling interests amounted to ₱204.38 million and ₱194.53 million for the six months ended June 30, 2026 and 2025, respectively.

TGPPI's total assets amounted to ₱2.50 billion and ₱2.39 billion as of June 30, 2026 and December 31, 2025, respectively, while total liabilities amounted to ₱1.40 billion and ₱887.50 million as of June 30, 2026 and December 31, 2025, respectively.

TGPPI's total sales amounted to ₱2.87 billion and ₱2.79 billion for the six months ended June 30, 2026 and 2025, respectively. TGPPI's net income amounted to ₱445.26 million and ₱423.82 million for the six months ended June 30, 2026 and 2025, respectively.

Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains healthy capital in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the periods ended June 30, 2026 and December 31, 2025 and 2024.

The Group considers as capital the equity attributable to equity holders of the Parent Company. The following table shows the components of the Group's equity which it manages as capital as of June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Capital stock	**₱1,418,101,745**	₱1,576,489,360
Additional paid-in capital	**33,093,311,526**	40,768,202,897
Treasury stock	**(16,880,682,500)**	(24,713,961,486)
Other comprehensive income	**860,135,138**	7,686,550,594
Equity reserve	**(772,041,467)**	(772,041,467)
Retained earnings:		
Appropriated	**7,248,252,847**	7,248,252,847
Unappropriated	**40,613,189,581**	40,804,210,650
	₱65,580,266,870	₱72,597,703,395

19. Revenue from Contracts with Customers

Sales are recognized from customers at the point of sale in the stores and upon delivery.

Sales returns and sales discounts deducted from the sales to arrive at the net sales amounted to ₱3.92 billion and ₱3.54 billion for six months ended June 30, 2026 and 2025, respectively.

Disaggregated revenue information
Set out below is the disaggregation of the Group's revenue from contracts with customers:

	June 30, 2026	June 30, 2025
Type of goods or service		
Sale of goods - retail	**₱103,474,865,954**	₱95,292,343,303
Sale of merchandise to franchisees	**3,272,560,687**	3,184,581,002
Franchise revenue	**22,765,516**	19,978,194
Royalty fee	**127,884,682**	114,363,287
	₱106,898,076,839	₱98,611,265,786
Timing of revenue recognition		
Goods transferred at point in time	**₱106,747,426,641**	98,476,924,305
Services transferred over time	**150,650,198**	134,341,481
	₱106,898,076,839	₱98,611,265,786

20. Operating Expenses

This account consists of:

	Six Months Ended June 30 (Unaudited)	
	2026	2025
Rental and utilities (Notes 23 and 27)	**₱6,363,507,606**	₱5,510,956,565
Personnel costs and contracted services (Notes 21 and 22)	**7,503,421,600**	6,583,425,627
Depreciation and amortization (Notes 12, 14 and 27)	**3,975,404,301**	3,633,293,570
Transportation and travel	**1,412,480,459**	1,176,845,716
Supplies	**605,166,215**	527,033,551
Repairs and maintenance	**537,192,063**	473,658,770
Advertising	**358,405,463**	768,091,008
Bank and credit charges	**673,778,671**	574,195,553
Royalty expense (Note 28)	**40,464,461**	67,892,134
Commission expense	**143,060,043**	143,104,358
Others	**1,006,149,559**	842,100,458
	₱22,619,030,441	₱20,300,597,310

Others consist mainly of taxes and licenses, insurance, professional fees and provision for impairment losses.

Depreciation and amortization pertain to:

	Six Months Ended June 30 (Unaudited)	
	2026	2025
Property and equipment (Note 12)	**₱1,921,793,536**	₱1,663,475,652
Trademarks, franchise and license fees (Note 14)	**315,976**	379,171
Amortization of ROU assets (Note 27)	**2,053,294,789**	1,969,438,747
	₱3,975,404,301	₱3,633,293,570

21. **Personnel Costs and Contracted Services**

This account consists of:

	Six Months Ended June 30 (Unaudited)	
	2026	2025
Salaries, allowances and benefits (Note 20)	**₱5,168,779,353**	₱4,548,604,912
Contracted services (Note 20)	**2,334,642,247**	2,034,820,715
	₱7,503,421,600	₱6,583,425,627

Details of salaries, allowances and benefits:

	Six Months Ended June 30 (Unaudited)	
	2026	2025
Salaries, wages and allowances	**₱5,015,384,588**	₱4,424,949,239
Retirement expense (Note 22)	**153,394,765**	123,655,673
	₱5,168,779,353	₱4,548,604,912

22. **Retirement Plan**

The Group has a funded, non-contributory, defined benefit pension plan covering all regular permanent employees. Benefits are dependent on years of service and the respective employee’s final compensation. The benefits are paid in a lump-sum upon retirement or separation in accordance with the terms of the Robinsons Retail Multi-Employer Retirement Plan, South Star Drug Retirement Plan and Rustan Supercenters Retirement Plan (the Plan).

The Group computes the actuarial valuation every year by hiring the services of a professional third-party qualified actuary. The most recent actuarial valuation was carried out for the Group as of December 31, 2025.

The Group is a member of the Plan which is administered separately by the Trustee, Metrobank Corporation and Bank of the Philippine Islands, so named under the Trust Agreement. The Trustee is under the supervision of the Retirement Working Committee (the Committee) of the Plan. The Committee shall have all the powers necessary or useful in the discharge of its duties, including but not limited, to implement and administer the plan, propose changes and determine the rights of the members of the plan. However, changes or revisions in the Plan shall be approved by the Parent Company’s Executive Retirement Committee.

The Executive Retirement Committee may seek the advice of counsel and appoint an investment manager or managers to manage the Retirement Fund, an independent accountant to audit the Fund and an actuary to value the Plan.

Under the existing regulatory framework, Republic Act (RA) No. 7641, or the "Retirement Pay Law", requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The components of retirement expense under "Operating expenses" account in the consolidated statements of comprehensive income are as follows:

	Six Months Ended June 30 (Unaudited)	
	2026	2025
Current service cost	**₱159,948,303**	₱124,062,593
Net interest cost	**(6,553,538)**	(406,920)
Retirement expense	**₱153,394,765**	₱123,655,673

As of June 30, 2026 and December 31, 2025, the net retirement obligation (plan asset) recognized in the consolidated statements of financial position follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Present value of defined benefit obligation	**₱2,875,237,095**	₱2,721,842,330
Fair value of plan assets	**(2,580,421,545)**	(2,580,421,545)
Net retirement obligation	**₱294,815,550**	₱141,420,785

As of June 30, 2026, RHMI, WHMI, RTSHPI, RAC, SEWI, RS50, and RDSI have net retirement plan asset position totaling to ₱171.98 million while RSC LEC, HEMI, SSDI, RPI, TGPPI, PBC and SFI have net retirement obligation totaling to ₱466.79 million.

As of December 31, 2025, RHMI, WHMI, HEMI, HPTD, RBCD, RTSHPI, RAC, SEWI, RS50, and RDSI have net retirement plan asset position totaling to ₱182.53 million while RSC LEC, SSDI, RPI, TGPPI, PBC and SFI have net retirement obligation totaling to ₱323.95 million.

The movements in net retirement obligation recognized in the consolidated statements of financial position follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱141,420,785**	₱75,015,256
Retirement expense	**153,394,765**	272,709,605
Remeasurement loss (gain)	**–**	150,120,299
Acquired obligation from business combination (Note 2)	**–**	18,667,087
Benefits paid from direct payments	**–**	(6,042,418)
Actual contribution	**–**	(369,049,044)
Balance at end of period	**₱294,815,550**	₱141,420,785

Remeasurement effects recognized in OCI:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Remeasurement losses on:		
Retirement obligation	**₱–**	₱129,863,927
Retirement plan assets	**–**	20,256,372
	₱–	₱150,120,299

Changes in the present value of defined benefit obligation follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱2,721,842,330**	₱2,290,604,733
Current service cost	**159,948,303**	282,977,761
Interest cost	**(6,553,538)**	130,781,775
Acquired obligation from business combination (Note 2)	**–**	18,667,087
Benefits paid	**–**	(127,963,517)
Past service cost (income)	**–**	(3,089,436)
Remeasurement losses (gains) arising from:	**–**	
Experience adjustments	**–**	233,933,242
Changes in financial assumptions	**–**	(90,266,894)
Changes in demographic assumptions	**–**	(13,802,421)
Balance at end of period	**₱2,875,237,095**	₱2,721,842,330

Movements in the fair value of plan assets follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱2,580,421,545**	₱2,215,589,477
Actual contribution	**–**	369,049,044
Interest income included in net interest cost	**–**	137,960,495
Remeasurement gains (losses)	**–**	(20,256,372)
Benefits paid	**–**	(121,921,099)
Balance at end of period	**₱2,580,421,545**	₱2,580,421,545

The fair value of net plan assets of the Group by each class as at the end of the reporting period is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash and cash equivalents		
Savings deposit	**₱353,041,983**	₱353,041,983
Investments in UITF	**2,225,398,383**	2,225,398,383
Other receivables	**2,005,098**	2,005,098
	2,580,445,464	2,580,445,464
Accrued trust fee payable	**(23,919)**	(23,919)
	₱2,580,421,545	₱2,580,421,545

The principal assumptions used in determining the retirement benefits for the Group are as follows:

	2025	2024
Discount rates	**6.20% - 6.51%**	6.07% - 6.20%
Salary increase rates	**2.80% - 6.20%**	2.60% - 6.00%

The carrying amounts disclosed above reasonably approximate fair values at each reporting period. The actual return on plan assets amounted to ₱117.70 million, ₱216.86 million, and ₱61.29 million in 2025, 2024 and 2023, respectively.

The Group expects to contribute ₱489.15 million to the defined benefit plan in 2026.

Remeasurement effects attributable to the equity holders of the Parent Company follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balances at beginning of year	**₱328,091,901**	₱478,212,200
Remeasurement losses during the year	**–**	(150,120,299)
Balances at end of period	**₱328,091,901**	₱328,091,901

The sensitivity analyses that follow has been determined based on reasonably possible changes of the assumption occurring as of the end of the reporting period, assuming if all other assumptions were held constant.

		Increase (Decrease)	**Effect on Defined Benefit Obligation**
2025	**Salary increase**	+1.00%	**₱295,695,363**
		-1.00%	**(256,794,469)**
	Discount rates	+1.00%	**(242,020,575)**
		-1.00%	**283,083,557**

		Increase (Decrease)	Effect on Defined Benefit Obligation
2024	Salary increase	+1.00%	₱209,242,146
		-1.00%	(245,593,727)
	Discount rates	+1.00%	(255,451,069)
		-1.00%	221,102,772

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. The principal technique of the Group's ALM is to ensure the expected return on assets to be sufficient to support the desired level of funding arising from the defined benefit plans.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than 1 year	**₱261,587,115**	₱242,486,472
More than 1 year but less than 5 years	**845,320,180**	624,098,532
From five years to less than 10 years	**1,829,364,200**	1,438,526,341
From 10 years to less than 15 years	**3,021,854,551**	2,393,553,030
From 15 years to less than 20 years	**3,677,262,019**	3,190,424,846
From 20 years and beyond	**11,059,827,592**	8,425,880,293

23. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Group, in the regular conduct of business, has receivables from (payables to) related parties arising from the normal course of operations.

The following are the Group's transactions with its related parties:

	Amount			**Receivables from (Payables to)**	
	June 30	December 31	December 31	**June 30**	December 31
	2026	2025	2024	**2026**	2025
Affiliates under common control					
a. Trade and other receivables					
Sales	**₱39,528,061**	₱86,785,373	₱85,559,796	**₱1,740,668**	₱4,802,067
b. Trade and other payables					
Purchases	**(2,378,334,154)**	(3,997,350,925)	(4,203,887,488)	**(355,067,469)**	(326,426,091)
Rent and utilities	**(2,101,956,708)**	(4,344,742,765)	(5,274,226,570)	**(256,629,518)**	(607,281,510)

a. The Group has outstanding receivables from its affiliates arising primarily from sales of merchandise inventories and royalty income for grant of use and right to operate its stores.

b. The Group has outstanding payables to its affiliates arising from purchases of merchandise inventories for resale to its customers, which are normally paid within one (1) year, and expenses for rent and utilities relative to the Group's operations. Lease agreements normally have terms of five (5) to 20 years, with escalation clauses ranging from 5% to 10% every year. The purchases in 2022 include land amounting to ₱3.53 billion, of which ₱2.38 billion was outstanding as of December 31, 2022 but was fully paid in 2023.

The compensation and benefits of key management personnel by type follow:

	2025	2024	2023
Short-term employment benefits	**₱264,607,400**	₱239,559,871	₱220,880,000
Post-employment benefits	**66,038,376**	48,908,108	29,522,860
	₱330,645,776	₱288,467,979	₱250,402,860

Terms and conditions of transactions with related parties
Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party payables or receivables. As of June 30, 2026 and December 31, 2025, the Group did not recognize any provision for expected credit losses relating to amounts owed by related parties. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Approval requirements and limits on the amount and extent of related party transactions
Material related party transactions (MRPT) refer to any related party transaction/s, either individually, or in aggregate over a 12-month period with the same related party, amounting to 10% or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements.

All individual MRPT's shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a 12-month period that meet or breach the materiality threshold shall require the same BOD approval mentioned above.

24. Income Tax

Provision for income tax for the six months ended June 30 consists of:

	2026	2025
Current	**₱755,017,674**	₱816,038,928
Deferred	**(27,861,824)**	(169,066,229)
	₱727,155,850	₱646,972,699

The components of the Group's net deferred tax assets (liabilities) are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Tax effects of:		
Items recognized in profit or loss:		
Deferred tax assets		
Lease liabilities	**₱5,271,031,811**	₱5,661,093,177
NOLCO	**88,948,943**	203,751,439
Unamortized past service cost	**73,909,677**	77,012,600
Allowance for impairment losses	**59,593,815**	59,519,762
Retirement obligation	**60,874,796**	35,355,196
MCIT	**104,446,766**	8,639,479
Others	**180,858,903**	145,025,564
	5,839,664,711	6,190,397,217
Deferred tax liabilities		
Right-of-use assets	**(4,142,097,985)**	(4,519,208,484)
Debt transaction cost subject to amortization	**(27,846,381)**	(30,491,368)
	(4,169,944,366)	(4,549,699,852)
	1,669,720,345	1,640,697,365
Item recognized directly in other comprehensive income:		
Deferred tax assets (liabilities)		
Remeasurement loss (gain) on retirement obligation	**12,829,092**	12,829,092
	₱1,682,549,437	₱1,653,526,457

The components of the Group's net deferred tax liabilities are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Tax effect of:		
Items recognized in profit or loss:		
Business combination	**₱2,070,718,785**	₱2,070,718,785
Asset revaluation	**55,155,073**	57,372,484
	2,125,873,858	2,128,091,269
Item recognized directly in other comprehensive income:		
Fair value adjustments on investment in an associate	**61,855,913**	61,855,913
	₱2,187,729,771	₱2,189,947,182

The Group has the following NOLCO and MCIT that are available for offset against future taxable income or tax payable, respectively, for which deferred tax assets have not been recognized:

	2025	2024
Tax effects of:		
NOLCO	**₱494,802,301**	₱364,075,215
MCIT	**42,717,617**	4,936,913

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

RRHI, TMI, RVC, SFI, SEWI, RHIB, HPTD, RTSH, HEMI, RDSI and RDDC have incurred NOLCO before taxable year 2020 and after 2021which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Inception Year	Amount	Additions	Expired/Applied	Balance	Expiry Year
2025	₱–	₱861,772,074	₱–	₱861,772,074	2028
2024	735,720,685	–	(174,715)	735,545,970	2027
2023	1,042,519,513	–	(113,459)	1,042,406,054	2026
2022	52,437,490	–	(52,437,490)	–	2025
	₱1,830,677,688	₱861,772,074	(₱52,725,664)	₱2,639,724,098	

RRHI, TMI, RVC, HPTD, RHIB, RDSI, and RDDC has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the *Bayanihan to Recover As One Act*, as follows:

Inception Year	Amount	Additions	Expired/Applied	Balance	Expiry Year
2021	₱169,080,029	₱–	(₱99,707)	₱168,980,322	2026
2020	65,790,027	–	(65,790,027)	–	2025
	₱234,870,056	₱–	(₱65,889,734)	₱168,980,322	

Details of the Group's MCIT related to RRHI, RVC, RHMI, RHIB, WHMI, HEMI, HPTD, RDSI RDDC, SEWI, and SSDI follow:

Inception Year	Amount	Additions	Applied/Expired	Balance	Expiry Year
2025	₱–	₱21,485,466	₱–	₱21,485,466	2028
2024	10,224,218	–	–	10,224,218	2027
2023	23,636,542	–	(3,989,130)	19,647,412	2026
2022	8,771,749	–	(8,771,749)	–	2025
	₱42,632,509	₱21,485,466	(₱12,760,879)	₱51,357,096	

25. Earnings Per Share

The following table presents information necessary to calculate EPS on net income attributable to equity holders of the Parent Company for the six months ended June 30:

	2026	2025
Net income attributable to equity holders of the Parent Company	**₱1,940,216,001**	₱2,252,095,018
Weighted average number of common shares	**1,065,618,535**	1,366,555,826
Basic and Diluted EPS	**₱1.82**	₱1.65

The Parent Company has no potentially dilutive common shares as of June 30, 2026 and December 31, 2025.

26. Risk Management and Financial Instruments

Governance Framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The BOD approves the Group's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the Group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets and specify reporting requirements.

Financial Risk

The main purpose of the Group's financial instruments is to fund its operations and capital expenditures. The main risks arising from the Group's financial instruments are market risk, liquidity risk and credit risk. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Market risk

Market risk is the risk of loss to future earnings, to fair value of cash flows of a financial instrument as a result of changes in its price, in turn caused by changes in interest rates, foreign currency exchange rates equity prices and other market factors.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest relates primarily to the Group's long-term debt obligation with a floating interest rate. The Group has minimal interest rate risk because the interest-bearing loans are short-term in nature and bear fixed interest rates.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax (through the impact on floating rate borrowings):

	Increase (decrease) in basis points	Effect on income before income tax
Peso floating rate borrowing	**+0.25%**	**(₱37,375,000)**
	-0.25%	**37,375,000**

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk
Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's principal transactions are carried out in Philippine Peso (₱) but maintain a minimal balance of foreign currency. The Group's currency risk arises mainly from foreign currency-denominated cash and cash equivalents which are denominated in currency other than the Group's functional currency.

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase (decrease) in foreign currency rate		Effect on income before income tax (₱)	
	June 30, 2026	December 31, 2025	**June 30, 2026**	December 31, 2025
USD	**+1.50%**	+1.30%	**₱439,503**	₱1,525,118
	-1.50%	-1.30%	**(439,503)**	(1,525,118)

The Group used foreign exchange rate of ₱60.36:USD1 and ₱58.79:USD1 as of June 30, 2026 and December 31, 2025, respectively, in converting its dollar-denominated financial assets to peso.

The sensitivity analyses shown above are based on the assumption that the movements in US dollars will more likely be limited to the upward or downward fluctuation of 1.50% and 1.30% as of June 30, 2026 and December 31, 2025, respectively.

The forecasted movements in percentages used were sourced by management from available information in the market (i.e., BAP). These are forecasted movements in the next 12 months.

The foreign currency-denominated financial assets in original currencies and equivalents to the Group's presentation currency as of June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026		December 31, 2025	
	USD	**PHP**	USD	PHP
Cash and cash equivalents	**$497,624**	**₱29,255,315**	$1,995,796	₱117,332,847

The effect on the Group's income before income tax is computed on the carrying value of the Group's foreign currency denominated financial assets and liabilities as of June 30, 2026 and December 31, 2025. There is no impact on equity other than those already affecting income before income tax.

Equity price risk
The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as financial assets at FVOCI as of June 30, 2026 and December 31, 2025.

Quoted equity securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

Quoted equity security consists of marketable equity security that is listed and traded on the PSE. The fair market value of the listed shares is based on the quoted market price as of June 30, 2026 and December 31, 2025.

The analyses below are performed for reasonably possible movements in the PSE Index with all other variables held constant, showing the impact on equity:

	Change in variable	**Effect on equity - Other comprehensive income**
June 30, 2026	**+14.95%**	**₱4,903,385,356**
	-14.95%	**(4,903,385,356)**
December 31, 2025	+14.34%	₱5,686,146,341
	-14.34%	(5,686,146,341)

The sensitivity analyses shown above are based on the assumption that the movement in PSE composite index and other quoted equity securities will most likely be limited to an upward or downward fluctuation of 14.95% and 14.34% as of June 30, 2026 and December 31, 2025, respectively.

For quoted securities, the Group, used as basis of these assumptions, the annual percentage change in PSE composite index.

The impact of sensitivity of equity prices on the Group's equity already excludes the impact on transactions affecting the consolidated statements of comprehensive income.

Liquidity risk
Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

The table below shows the maturity profile of the financial instruments of the Group as of June 30, 2026 and December 31, 2025 based on the remaining period at the reporting date to their contractual maturities and are also presented based on contractual undiscounted repayment obligations.

	June 30, 2026			
	On Demand	**Within One (1) year**	**More than One (1) year**	**Total**
Financial Assets				
Amortized Cost				
Cash and cash equivalents	**₱6,771,083,877**	**₱2,505,600,670**	**₱–**	**₱9,276,684,547**
Trade and other receivables				
Trade receivables	**88,196,887**	**1,414,531,572**	**–**	**1,502,728,459**
Nontrade receivables	–	**1,667,532,488**	**–**	**1,667,532,488**
Due from franchisees	–	**35,884,786**	**–**	**35,884,786**
Other noncurrent assets				
Security and other deposits	**–**	**–**	**2,812,126,112**	**2,812,126,112**
Construction bonds	**–**	**–**	**53,593,359**	**53,593,359**
FVOCI	**–**	**–**	**36,206,056,314**	**36,206,056,314**
FVTPL	**–**	**–**	**644,412,048**	**644,412,048**
	₱6,859,280,764	**₱5,623,549,516**	**₱39,716,187,833**	**₱52,199,018,113**
Financial Liabilities				
Other financial liabilities				
Trade and other payables*	**–**	**25,479,054,178**	**–**	**25,479,054,178**
Short-term loans payable	**–**	**27,190,000,000**	**–**	**27,190,000,000**
Long-term loan payable	**–**	**–**	**14,950,000,000**	**14,950,000,000**
Lease liabilities	**–**	**4,709,396,782**	**22,624,792,235**	**27,334,189,017**
Other current liabilities	**–**	**665,982,814**	**–**	**665,982,814**
Future interest payable on short-term and long-term loans payable	**–**	**791,504,051**	**1,600,511,441**	**2,392,015,492**
	₱–	**₱58,835,937,825**	**₱39,175,303,676**	**₱98,011,241,501**

**Excluding statutory liabilities amounting to ₱396,053,029 and contract liabilities amounting to ₱285,773,805.*

	December 31, 2025			
	On Demand	**Within One (1) year**	**More than One (1) year**	**Total**
Financial Assets				
Amortized Cost				
Cash and cash equivalents	₱11,011,750,625	₱4,268,724,819	₱–	₱15,280,475,444
Trade and other receivables				
Trade receivables	68,418,291	3,184,608,026	–	3,253,026,317
Nontrade receivables	–	667,489,385	–	667,489,385
Due from franchisees	–	14,645,750	–	14,645,750
Other noncurrent assets				
Security and other deposits	–	–	2,661,182,483	2,661,182,483
Construction bonds	–	–	48,716,784	48,716,784
FVOCI	–	149,338,350	43,419,515,034	43,568,853,384
FVTPL	–	–	529,236,517	529,236,517
	₱11,080,168,916	₱8,284,806,330	₱46,658,650,818	₱66,023,626,064
Financial Liabilities				
Other financial liabilities				
Trade and other payables*	–	28,398,699,834	–	28,398,699,834
Short-term loans payable	–	28,105,000,000	–	28,105,000,000
Long-term loan payable	–	–	14,950,000,000	14,950,000,000
Lease liabilities	–	3,307,066,681	27,086,018,667	30,393,085,348
Other current liabilities	–	621,350,247	–	621,350,247
Future interest payable on short-term and long-term loans payable	–	925,743,034	2,176,021,233	3,101,764,267
	₱–	₱61,357,859,796	₱44,212,039,900	₱105,569,899,696

**Excluding statutory liabilities amounting to ₱446,078,368 and contract liabilities amounting to ₱319,544,837.*

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group's trade and other receivables are actively monitored by the Collection Services Department to avoid significant concentrations of credit risk.

The Group has adopted a no-business policy with customers lacking an appropriate credit history where credit records are available.

The Group manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group. The Group's policies include the following: setting up of exposure limits by each counterparty or group of counterparties; right of offset where counterparties are both debtors and creditors; reporting of credit risk exposures; monitoring of compliance with credit risk policy; and review of credit risk policy for pertinence and the changing environment.

The Group's maximum exposure in financial assets (excluding cash on hand amounting to ₱699.56 million and ₱752.91 million as of June 30, 2026 and December 31, 2025, respectively) is equal to their carrying amounts. This was determined based on the nature of the counterparty and the Group's experience.

Impairment of financial assets. The Group has the following financial assets that are subject to the expected credit loss model under PFRS 9:

- Cash and cash equivalents;
- Trade and other receivables;
- Debt securities at FVOCI; and
- Other debt instruments carried at amortized cost

Other debt instruments carried at amortized cost include accrued interest receivables, dividends receivable, receivable from insurance companies, receivables from lessees, and refundable security and other deposits. These are also subject to impairment requirements of PFRS 9, the identified impairment losses were immaterial.

Cash and cash equivalents and Debt securities at FVOCI. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group invests only on quoted debt securities with very low credit risk. The Group's debt instruments at FVOCI comprised solely of quoted bonds that have a minimum BBB- credit rating by S&P Global Ratings and, therefore, are considered to be low credit risk investments. The Group had recognized provision for expected credit losses on its debt instruments at FVOCI for the periods ended June 30, 2026 and December 31, 2025 (Note 11).

Trade and other receivables. The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. 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 (Note 8).

A summary of Group exposure to credit risk under general and simplified approach as of June 30, 2026 and December 31, 2025 follows:

	June 30, 2026			
	General Approach			**Simplified**
	Stage 1	**Stage 2**	**Stage 3**	**Approach**
Amortized Cost				
Cash and cash equivalents (excluding cash on hand)	**₱ 8,577,128,525**	**₱–**	**₱–**	**₱–**
Trade receivables	–	–	–	**1,502,728,459**
Due from franchisees	–	–	–	**35,884,786**
Nontrade receivables	**1,667,532,488**	–	–	–
Security and other deposits	**2,812,126,112**	–	–	–
Construction bonds	**53,593,359**	–	–	–
Debt securities at FVOCI	**158,659,125**	–	–	–
Total gross carrying amounts	**13,269,039,609**	–	–	**1,538,613,245**
Less allowance	–	–	–	**88,196,887**
	₱13,269,039,609	**₱–**	**₱–**	**₱1,450,416,358**

	December 31, 2025			
	General Approach			Simplified
	Stage 1	Stage 2	Stage 3	Approach
Amortized Cost				
Cash and cash equivalents (excluding cash on hand)	₱14,527,566,492	₱–	₱–	₱–
Trade receivables	–	–	–	3,253,026,317
Due from franchisees	–	–	–	14,645,750
Nontrade receivables	667,489,385	–	–	–
Security and other deposits	2,661,182,483	–	–	–
Construction bonds	48,716,784	–	–	–
Debt securities at FVOCI	1,044,054,203	–	–	–
Total gross carrying amounts	18,949,009,347	–	–	3,267,672,067
Less allowance	–	–	–	68,418,291
	₱18,949,009,347	–	–	₱3,199,253,776

As of June 30, 2026 and December 31, 2025, there were no movements between stages 1, 2 and 3.

Fair Values of Financial Assets and Liabilities

The methods and assumptions used by the Group in estimating the fair value of financial asset and other financial liabilities are:

- Due to the short-term nature of the transaction, the fair value of cash and cash equivalents and trade and other receivables approximates the carrying values at year-end.
- Security and other deposits and construction bonds were discounted using the effective interest rates at reporting date.
- Debt and equity instruments financial assets are carried at fair values. Investments in bonds and quoted equity securities are derived from quoted market prices in active markets.
- Due to the short-term nature of trade and other payables, short-term loans payable and other current liabilities, their carrying values approximate fair values.
- The fair values of the interest-bearing long-term loans payable were estimated as the present value of all future cash flows discounted using the applicable rates for similar types of loans.

As of June 30, 2026 and December 31, 2025, the Group's financial assets measured at fair value are categorized within the Level 1 fair value hierarchy.

As of June 30, 2026 and December 31, 2025, there were no transfers between Levels of fair value measurements.

27. Lease Commitments

The Group as Lessee

The Group has lease contracts for various building wherein the offices, stores and warehouses/distribution centers are located. Lease terms are generally from one (1) year to 25 years. The monthly fees are based on fixed rate subject to escalation rate of 2% to 5% or percentage of sales, whichever is higher.

The roll-forward analysis of right-of-use assets as of June 30, 2026 and December 31, 2025 follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱18,076,833,937**	₱19,187,782,606
Additions	**1,542,983,774**	2,825,479,036
Additions from business combination (Notes 1 and 2)	**–**	521,840,183
Derecognition	**(998,130,980)**	(352,163,963)
Amortization (Note 20)	**(2,053,294,789)**	(4,106,103,925)
Balance at end of period	**₱16,568,391,942**	₱18,076,833,937

The roll-forward analysis of lease liabilities as of June 30, 2026 and December 31, 2025 follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱22,644,372,709**	₱23,350,239,977
Additions	**1,538,801,343**	2,812,526,468
Additions from business combination (Notes 1 and 2)	**–**	565,148,307
Accretion of interest expense	**752,313,190**	1,591,237,182
Derecognition	**(1,153,073,517)**	(393,743,648)
Lease payments	**(2,698,286,482)**	(5,281,035,577)
Balance at end of period	**21,084,127,243**	22,644,372,709
Less current portion	**3,401,980,151**	3,307,066,681
Noncurrent portion	**₱17,682,147,092**	₱19,337,306,028

As of June 30, 2026 and December 31, 2025, noncurrent portion of lease liabilities includes asset retirement obligation amounting to ₱112.86 million.

The following are the amounts recognized in profit or loss for the years ended December 31:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Amortization of ROU assets (Note 20)	**₱2,053,294,789**	₱4,106,103,925
Expenses relating to short-term leases and variable lease payments (Note 20)	**2,698,286,482**	3,788,917,434
Interest expense on lease liabilities	**752,313,190**	1,591,237,182
Gain on derecognition of lease liabilities	**(154,942,537)**	(41,579,685)
	₱5,348,951,924	₱9,444,678,856

Shown below is the maturity analysis of the undiscounted lease payments as of June 30, 2026 and December 31, 2025:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within one (1) year	**₱4,709,396,782**	₱3,307,066,681
After one (1) year but not more than five (5) years	**14,410,030,672**	17,050,689,387
More than five (5) years	**8,214,761,563**	10,035,329,280
	₱27,334,189,017	₱30,393,085,348

The Group's additions to ROU assets and lease liabilities are considered non-cash activities. The Company recorded gain on derecognition of lease liability amounting to ₱154.94 million and ₱23.74 million in June 2026 and 2025, respectively, due to the pre-termination of leases on stores and these were presented under "Other income (charges)" in the consolidated statements of comprehensive income.

The Group as a Lessor
The Group has entered into operating leases on its building. Income from these leases were included as part of "Royalty, rent and other revenue" line item in the consolidated statements of comprehensive income.

There are no contingent rental income and expense under these operating leases both as lessee and lessor.

28. **Agreements**

a) The Group has franchise agreements which mainly include providing store facilities and equipment to franchisees. Other services rendered by Uncle John's consist of providing personnel and utilities. The lease/royalty fee is based on a certain percentage of sales of the lessee/franchisee. The related royalty income amounted to ₱10.34 million and ₱48.16 million for the six months ended June 30, 2026 and 2025, respectively.

   As of June 30, 2026 and 2025, amounts due from franchisees amounted to ₱35.88 million and ₱28.64 million, respectively. No provision for impairment losses on due from franchisee was recognized in 2026 and 2025 (Note 8).

b) The Group obtained a license to use the Daiso Business Model in the Philippines that was granted to the Group by Daiso Industries Co., Ltd. (DICL) in Japan. In accordance with the license agreement, the Group agrees to pay, among others, royalties to DICL based on a certain percentage of monthly net sales.

Royalty expenses amounted to ₱3.61 million and ₱5.99 million for the six months ended June 30, 2026 and 2025, respectively.

c.) The Group is a sub-licensee of Toys R Us in the Philippines. The royalty fee is based on fixed percentage of gross monthly sales of sub-licensee. Royalty expense amounted to ₱33.97 million and ₱38.52 million for the six months ended June 30, 2026 and 2025, respectively.

d.) On April 25, 2019, Emart Inc., granted the Group, an exclusive and non-transferrable right to carry on the “NO BRAND” business in the Philippines. The Group royalty fee amounted to ₱1.40 million and ₱4.05 million for the six months ended June 30, 2026 and 2025.

e.) On January 10, 2018, Pet Lovers Centre Pte. Ltd granted the Group the right to develop its business, including its trademarks, system, manuals and image in the Philippines. For the six months ended June 30, 2026 and 2025, franchise fee amounted to ₱0.32 million and ₱0.38 million, respectively.

f.) The management and operation of the Group’s loyalty programme has been transferred to DAVI, a related party. Loyalty programme is where retail customers accumulate points for purchases made at any participating retail outlets and partner establishments that can be redeemed against any future purchases at any participating retail outlets and partner establishments, subject to a minimum number of points obtained. With this arrangement, the Group concluded that it only acts as an agent of DAVI. As such, all revenue and expenses in relation to the loyalty points will be recognized by DAVI.

29. Changes in Liabilities Arising from Financing Activities

	January 1, 2026	**Net Cash Flows**	**Dividend Declaration**	**Noncash**	**Others**	**June 30, 2026**
Lease liabilities	**₱22,644,372,709**	**(₱2,698,286,482)**	**₱–**	**₱752,313,190**	**₱385,727,826**	**₱21,084,127,243**
Short-term loans payable	**28,105,000,000**	**(915,000,000)**	**–**	**–**	**–**	**27,190,000,000**
Long-term loan payable	**14,828,034,527**	**–**	**–**	**17,334,659**	**–**	**14,845,369,186**
Interest payable	**133,878,854**	**(1,131,884,591)**	**–**	**(17,334,659)**	**1,165,476,001**	**150,135,605**
Dividends payable	**665,560,068**	**(2,519,865,399)**	**2,546,267,070**	**–**	**–**	**691,961,739**
Total liabilities from financing activities	**₱66,376,846,158**	**(₱7,265,036,472)**	**₱2,546,267,070**	**₱752,313,190**	**₱1,551,203,827**	**₱63,961,593,773**

	January 1, 2025	Net Cash Flows	Dividend Declaration	Noncash	Others	December 31, 2025
Lease liabilities	₱23,350,239,978	(₱5,281,035,577)	₱–	₱1,591,237,182	₱2,983,931,126	₱22,644,372,709
Short-term loans payable	14,714,000,000	13,391,000,000	–	–	–	28,105,000,000
Long-term loan payable	8,261,796,306	6,610,000,000	–	(43,761,779)	–	14,828,034,527
Interest payable	50,110,890	(2,052,359,615)	–	43,761,779	2,092,365,800	133,878,854
Dividends payable	–	(3,576,616,741)	4,242,176,809	–	–	665,560,068
Total liabilities from financing activities	₱46,376,147,174	₱9,090,988,067	₱4,242,176,809	₱1,591,237,182	₱5,076,296,926	₱66,376,846,158

As of June 30, 2026 and December 31, 2025, noncash include accretion of interest expense on lease liabilities (Note 27).

As of June 30, 2026 and December 31, 2025, “Others” include new leases and derecognition of lease liabilities (Note 27).

The Group’s noncash transaction affecting investing activities pertains to unpaid additions to property and equipment amounting to ₱1,299.03 million and ₱1,707.11 million as of June 30, 2026 and December 31, 2025, respectively. Also, the fair values of the identified assets and liabilities of Premiumbikes Corporation at the date of acquisitions have impact to the Group’s cash flows (Note 2).

30. Contingencies

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by courts or are currently being contested by the Group, and the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have material adverse effect in the Group’s financial position and results of operations.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

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II. Map of the relationships of the companies within the group

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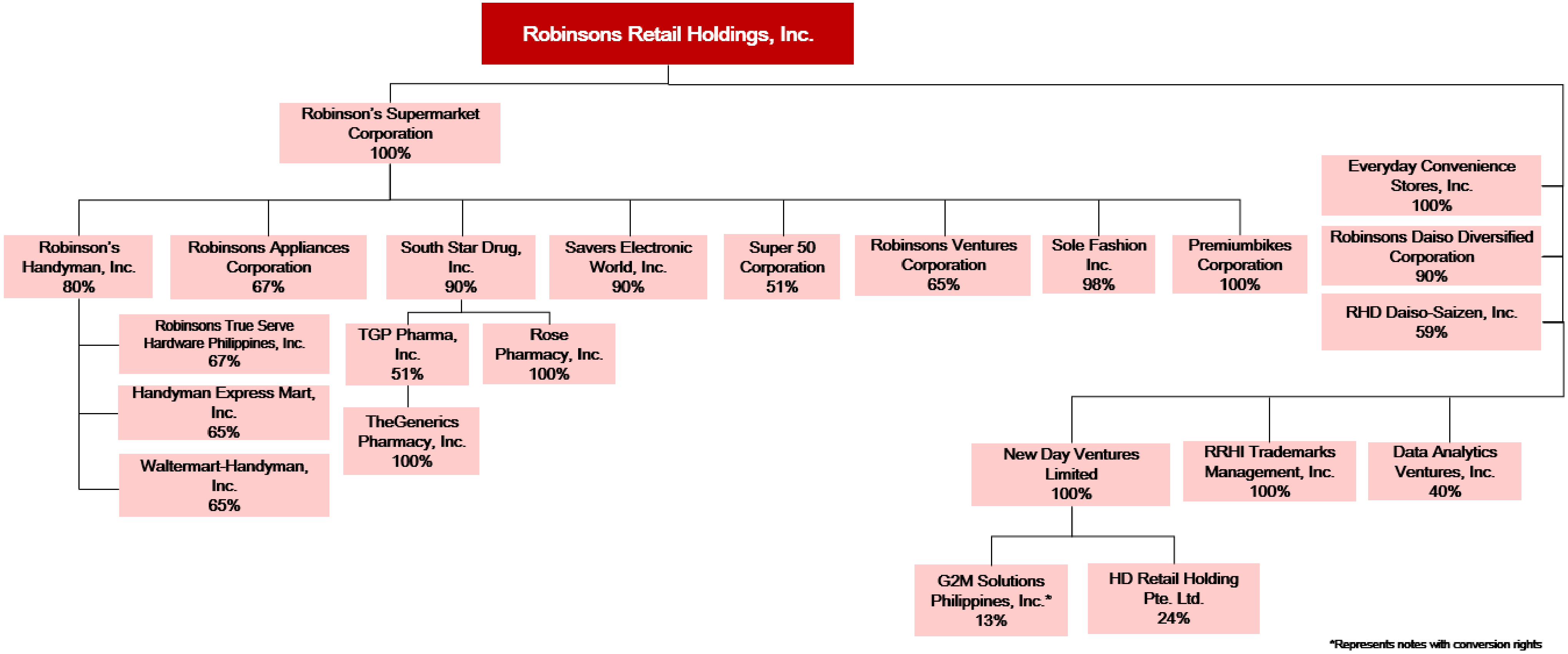
ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

JUNE 30, 2026

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of June 30, 2026:



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

JUNE 30, 2026

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Debt and Equity Securities				
Various bonds	₱164,897,302	₱803,071,173	₱803,071,173	₱3,402,424
Investment in equity shares	35,661,230,450	36,047,397,189	36,047,397,189	850,386,908
	₱35,826,127,752	₱36,850,468,362	₱36,850,468,362	₱853,789,332

See Note 11 to the Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

JUNE 30, 2026

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period

NOT APPLICABLE

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLE/PAYABLE FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

JUNE 30, 2026

Entity with Receivable (Payable) Balance	Balance at Beginning of Period	Net Movement	Write-offs	Current	Noncurrent	Balance at end of period
Robinsons Retail Holdings, Inc.	₱6,756,411,333	₱1,161,000,000)	₱–	₱5,595,411,333	₱–	₱5,595,411,333
RRHI Trademarks Management, Inc.	(471,500,000)	461,000,000	–	(10,500,000)	–	(10,500,000)
Everyday Convenience Stores, Inc.	(21,578,000)	–	–	(21,578,000)	–	(21,578,000)
Robinson's Supermarket Corporation	(6,263,333,333)	700,000,000	–	(5,563,333,333)	–	(5,563,333,333)
South Star Drug, Inc.	–	215,985,000	–	215,985,000	–	215,985,000
TGP Pharma, Inc.	–	(215,985,000)	–	(215,985,000)	–	(215,985,000)

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT

JUNE 30, 2026

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Current portion	Noncurrent portion
RRHI -Unsecured PHP term loan	₱2,300,000,000	5.00% – 5.25%	₱–	₱2,260,386,921
RSC - Unsecured PHP term loan	12,650,000,000	4.95% – 5.30%	–	12,584,982,265
	₱14,950,000,000		₱–	₱14,845,369,186

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

JUNE 30, 2026

Name of related party	Balance at beginning of period	Balance at end of period
Robinsons Land Corporation	₱737,275,201	₱256,629,518
Universal Robina Corporation	352,155,505	355,067,469
JG Summit Holdings, Inc.	10,638,871	1,740,668
	₱1,100,069,577	₱613,437,655

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS
JUNE 30, 2026

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

NOT APPLICABLE

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE G: CAPITAL STOCK

JUNE 30, 2026

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock - ₱1 par value	2,000,000,000	1,065,618,535	–	491,299,997	217,940,278	356,378,260
	2,000,000,000	1,065,618,535	–	491,299,997	217,940,278	356,378,260

See Note 18 to the Consolidated Financial Statements

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
AS OF JUNE 30, 2026 AND DECEMBER 31, 2025

Financial Soundness Indicator	**June 30, 2026**	December 31, 2025
i. Liquidity ratio:		
Current ratio	**0.87**	0.89
ii. Profitability ratio:		
Gross profit margin	**0.25**	0.25
Return on assets	**0.04**	0.04
Return on equity	**0.08**	0.07
iii. Stability ratio:		
Solvency ratio	**0.10**	0.14
Debt to equity ratio	**1.35**	1.29
Asset to equity ratio	**2.35**	2.29
Interest rate coverage ratio	**2.58**	2.82

**See attached reporting computation.*

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

AS OF JUNE 30, 2026 AND DECEMBER 31, 2025

	June 30, 2026	December 31, 2025
Current assets	**₱49,847,786,207**	₱54,877,888,394
Current liabilities	**57,582,659,093**	61,486,731,073
Current ratio	**0.87**	0.89
Gross profit[1]	**₱53,835,917,460**	₱51,777,399,967
Net sales[1]	**218,693,210,243**	210,422,707,907
Gross profit margin	**0.25**	0.25
After tax net profit[1]	**₱5,844,391,005**	₱6,305,054,096
Depreciation and amortization[1]	**3,746,313,460**	7,594,162,696
	9,590,704,465	13,897,348,375
Total liabilities	**92,764,697,500**	98,165,964,970
Solvency ratio	**0.10**	0.14
Total liabilities	**₱92,764,697,500**	₱98,165,964,970
Total equity	**68,600,683,410**	75,859,248,022
Debt to equity ratio	**1.35**	1.29
Total assets	**₱161,365,380,910**	₱174,025,212,992
Total equity	**68,600,683,410**	75,859,248,022
Asset to equity ratio	**2.35**	2.29
Earnings before interest and taxes[1]	**₱10,253,060,740**	₱10,445,419,640
Interest expense[1]	**3,980,192,242**	3,698,416,203
Interest rate coverage ratio	**2.58**	2.82
Net income[1]	**₱5,844,391,009**	₱6,305,054,096
Average total assets	**167,695,296,951**	171,988,176,216
Return on assets	**0.03**	0.04
Net income[1]	**₱5,844,391,009**	₱6,305,054,096
Average total equity	**73,417,428,379**	84,232,837,310
Return on equity	**0.08**	0.07

[1] *12 months trailing*

ITEM 2. Management's Discussion and Analysis or Plan of Operation

Consolidated Results of Operations

Robinsons Retail Holdings, Inc.'s core net income (net income excluding foreign exchange gains/losses, interest income from bonds, equity in earnings from associates, interest expense related to the BPI shares, and others) declined by 6.4% to ₱2.6 billion in the first half of 2026 reflecting higher operating expenses from store expansion and the impact of the Middle East conflict.

Consolidated net sales increased by 8.4% to ₱106.7 billion, supported by 2.8% SSSG, new store contributions, and the consolidation of Premiumbikes, which was acquired in December 2025.

Gross profit rose by 8.6% to ₱26.0 billion due to better sales mix and stronger vendor support. Operating income declined by 4.5% to ₱4.1 billion in the first half, due to higher operating expenses.

Net income attributable to equity holders of the parent company (NIAP) declined by 13.8% to ₱1.9 billion as a result of lower operating income, higher interest expense, losses from associates, and foreign exchange losses.

Financial Position

As of June 30, 2026, the Group's balance sheet showed consolidated assets of ₱161.4 billion.

Cash and cash equivalents as of June 30, 2026 is at ₱9.3 billion. Net cash generated by operating activities totaled ₱4.2 billion. Net cash spent for investing activities amounted to ₱2.9 billion driven by CAPEX and additional investments. Net cash used in financing activities amounted to ₱7.3 billion due to payments for lease, loan, interest, and dividends.

Trade and other receivables as of June 30, 2026 is at ₱3.1 billion.

RRHI's ownership in Rbank is converted to BPI shares with the completion of the merger between BPI and Rbank which took effect on January 1, 2025. The investment in BPI is currently valued at ₱32.8 billion, classified as investment in debt and equity securities.

Total debt and equity instrument financial assets amounted to ₱36.9 billion as of June 30, 2026.

Trade and other payables reported as of June 30, 2026 is ₱26.2 billion. Short-term and long-term loans payable amounted to ₱42.0 billion as of June 30, 2026.

Stockholder's equity stood at ₱68.6 billion as of June 30, 2026.