

SEC eFast Initial Acceptance

1 message

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Tue, Aug 11, 2026 at 11:03 AM

Dear **METRO RETAIL STORES GROUP, INC.** Doing business under the name and style of the following business names: 1. The Metro Gaisano 2. Metro Gaisano Pharmacy 3. Metro Gaisano Cafe 4. Super Metro Gaisano 5. Metro Ayala Center 6. Metro Plaza Store - Toledo 7. Metro Gaisano Express Mart 8. Tita Gwapa Supertinda 9. Metro Gourmet Dining 10. Metro Fresh 'n Easy 11. Metro Wholesalmart 12. Metro Market Market Department Store & Supermarket 13. Metro Alabang Department Store & Supermarket 14. Metro Hi-Per 15. Metro Gaisano Market 16. Metro Legazpi Dept. Store & Supermarket 17. Metro Lucena Department Store & Supermarket 18. Metro Angeles City Department Store & Supermarket 19. Metro Angeles City Pharmacy,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

SEC Registration No: CS200315877

Company Name: METRO RETAIL STORES GROUP, INC. Doing business under the name and style of the following business names: 1. The Metro Gaisano 2. Metro Gaisano Pharmacy 3. Metro Gaisano Cafe 4. Super Metro Gaisano 5. Metro Ayala Center 6. Metro Plaza Store - Toledo 7. Metro Gaisano Express Mart 8. Tita Gwapa Supertinda 9. Metro Gourmet Dining 10. Metro Fresh 'n Easy 11. Metro Wholesalmart 12. Metro Market Market Department Store & Supermarket 13. Metro Alabang Department Store & Supermarket 14. Metro Hi-Per 15. Metro Gaisano Market 16. Metro Legazpi Dept. Store & Supermarket 17. Metro Lucena Department Store & Supermarket 18. Metro Angeles City Department Store & Supermarket 19. Metro Angeles City Pharmacy

Document Code: SEC_Form_17-Q

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, [7907 Makati Avenue](#),
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

REMINDER:

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2. General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF); 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

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COVER SHEET

for
QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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

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

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

Form Type

1	7	-	Q
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Group's Email Address

vicsal.sec@ metroretail.ph

Group's Telephone Number

(032) 236-8390

Mobile Number

N/A

No. of Stockholders

24

Annual Meeting (Month / Day)

First Friday of May

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Lucille S. Malazarte

Email Address

Lucille.malazarte @metroretail.ph
--

Telephone Number/s

(032) 236-7793

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

Vicsal bldg., Corner of C.D.Seno & W.O. Seno Sts., Guizo, North Reclamation Area, Mandaue City, Cebu

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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY CONSOLIDATED 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 **CS200315877**
3. BIR Tax Identification No **226-527-915-000**
4. Exact name of issuer as specified in its charter **METRO RETAIL STORES GROUP, INC.**
5. Province, country or other jurisdiction of incorporation or organization **Cebu, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office Postal Code

**Vicsal Building, corner of C.D. Seno and W.O. Seno Sts., Guizo,
North Reclamation Area, Mandaue City, Cebu 6014**

8. Issuer's telephone number, including area code **(032) 236-8390**
9. Former name, former address and former fiscal year, if changed since last report **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock Outstanding and Amount of Debt outstanding
Common Shares	3,233,346,000

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

Yes ☒ No ☐

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

Philippine Stock Exchange, Inc. **Common Shares**

12. Indicate by check mark whether the registrant:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements are filed as part of this form 17-Q.

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

The Management's Discussion and Analysis of Financial Condition and Results of Operations are filed as part of this form 17-Q.

METRO RETAIL STORES GROUP, INC AND SUBSIDIARY**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT JUNE 30, 2026****(With Comparative Audited Figures as at December 31, 2025)**

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 3 and 25)	₱1,115,713,106	₱2,485,143,661
Short-term investments (Notes 4 and 25)	150,000,000	150,000,000
Receivables (Notes 5 and 25)	983,130,165	1,397,587,185
Merchandise inventories (Note 6)	7,044,984,538	6,575,303,686
Other current assets (Notes 7 and 25)	550,276,470	568,033,662
Total Current Assets	9,844,104,279	11,176,068,194
Noncurrent Assets		
Property and equipment (Note 8)	9,064,434,316	8,643,786,538
Right-of-use ("ROU") assets (Note 22)	4,143,623,940	3,840,141,521
Deferred tax assets - net (Note 21)	525,629,913	498,924,403
Other noncurrent assets (Notes 9 and 25)	923,832,887	940,280,628
Total Noncurrent Assets	14,657,521,056	13,923,133,090
TOTAL ASSETS	₱24,501,625,335	₱25,099,201,284
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 10 and 25)	₱4,944,613,179	₱5,402,370,447
Contract liabilities (Note 11)	102,413,200	122,667,863
Income tax payable	49,871,130	51,769,296
Short-term loans payable (Note 12)	600,000,000	700,000,000
Loans payable – current portion (Note 12)	476,736,111	489,236,111
Lease liabilities - current portion (Notes 22 and 25)	227,423,517	182,564,725
Total Current Liabilities	6,401,057,137	6,948,608,442
Noncurrent Liabilities		
Lease liabilities – net of current portion (Notes 22 and 25)	5,257,852,004	5,058,478,598
Loans payable – net of current portion (Note 12)	2,278,163,064	2,516,638,035
Retirement benefit obligation (Note 19)	497,330,862	535,868,507
Other noncurrent liabilities (Notes 13 and 25)	26,100,065	14,721,133
Total Noncurrent Liabilities	8,059,445,995	8,125,706,273
Total Liabilities	14,460,503,132	15,074,314,715
Equity		
Capital stock (Note 14)	3,429,375,000	3,429,375,000
Additional paid-in capital (Note 14)	2,455,542,149	2,455,542,149
Treasury stock (Note 14)	(272,077,050)	(270,153,426)
Retained earnings (Note 14)	4,307,076,223	4,288,916,965
Share-based equity (Note 14)	14,237,523	14,237,523
Remeasurement gain on defined benefit obligation (Note 19)	106,968,358	106,968,358
Total Equity	10,041,122,203	10,024,886,569
TOTAL LIABILITIES AND EQUITY	₱24,501,625,335	₱25,099,201,284

See accompanying Notes to Financial Statements.

METRO RETAIL STORES GROUP, INC. AND SUBSIDIARY
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE				
Net sales (Note 15)	₱9,981,688,793	₱9,884,367,725	₱19,361,925,174	₱18,783,469,798
Rental (Note 22)	91,851,809	102,993,269	188,764,083	206,728,595
	10,073,540,602	9,987,360,994	19,550,689,257	18,990,198,393
COSTS AND EXPENSES				
Cost of sales (Note 17)	7,642,162,218	7,684,538,581	14,991,422,793	14,686,284,640
Operating expenses (Note 18)	2,074,321,640	2,014,276,872	4,219,880,524	4,027,450,737
	9,716,483,858	9,698,815,453	19,211,303,317	18,713,735,377
OPERATING INCOME	357,056,744	288,545,541	339,385,940	276,463,016
OTHER INCOME (CHARGES) (Note 16)				
Interest and other income	18,119,770	14,332,371	200,568,672	161,651,711
Finance costs	(127,747,883)	(127,407,800)	(257,984,362)	(247,415,103)
	(109,628,113)	(113,075,429)	(57,415,690)	(85,763,392)
INCOME BEFORE INCOME TAX	247,428,631	175,470,112	281,970,250	190,699,624
PROVISION FOR INCOME TAX (Note 21)				
Current	50,895,885	47,279,164	96,431,202	88,335,616
Deferred	10,134,209	(4,687,623)	(26,705,510)	(43,902,134)
	61,030,094	42,591,541	69,725,692	44,433,482
NET INCOME	186,398,537	132,878,571	212,244,558	146,266,142
OTHER COMPREHENSIVE INCOME				
<i>Not to be reclassified to profit or loss in subsequent periods</i>				
Remeasurement gains (losses) on defined benefit obligation	—	—	—	—
Income tax effect	—	—	—	—
	—	—	—	—
TOTAL COMPREHENSIVE INCOME	₱186,398,537	₱132,878,571	₱212,244,558	₱146,266,142
Basic/Diluted Earnings Per Share (Note 23)	₱0.06	₱0.04	₱0.07	₱0.04

See accompanying Notes to Interim Condensed Financial Statements.

METRO RETAIL STORES GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six-month periods ended June 30, 2026 and 2025

	Capital Stock (Note 14)	Additional Paid-in Capital (Note 14)	Treasury Stock (Note 14)	Retained Earnings (Note 14)	Share-based Equity (Note 14)	Remeasurement Gains (Losses) on Defined Benefit Obligation (Note 19)	Total
Balances at December 31, 2025 (Audited)	₱3,429,375,000	₱2,455,542,149	(₱270,153,426)	₱4,288,916,965	₱14,237,523	₱106,968,358	₱10,024,886,569
Net income for the period	-	-	-	212,244,558	-	-	212,244,558
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	212,244,558	-	-	212,244,558
Declaration of dividends (Note 14)	-	-	-	(194,085,300)	-	-	(194,085,300)
Acquisition of treasury shares (Note 14)	-	-	(1,923,624)	-	-	-	(1,923,624)
Balances at June 30, 2026 (Unaudited)	₱3,429,375,000	₱2,455,542,149	(₱272,077,050)	₱4,307,076,223	₱14,237,523	₱106,968,358	₱10,041,122,203
Balances at December 31, 2024 (Audited)	₱3,429,375,000	₱2,455,542,149	(₱261,526,893)	₱3,800,813,300	₱11,557,101	₱85,640,651	₱9,521,401,308
Net income for the period	-	-	-	146,266,142	-	-	146,266,142
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	146,266,142	-	-	146,266,142
Declaration of dividends (Note 14)	-	-	-	(194,535,900)	-	-	(194,535,900)
Acquisition of treasury shares (Note 14)	-	-	(866,997)	-	-	-	(866,997)
Balances at June 30, 2025 (Unaudited)	₱3,429,375,000	₱2,455,542,149	(₱262,393,890)	₱3,752,543,542	₱11,557,101	₱85,640,651	₱9,472,264,553

See accompanying Notes to Group Interim Condensed Financial Statements.

METRO RETAIL STORES GROUP, INC. AND SUBSIDIARY
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six-month Periods Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱281,970,250	₱190,699,624
Adjustments for:		
Depreciation and amortization - PPE (Note 8)	369,605,345	386,456,507
Finance costs (Note 16)	257,984,362	247,415,103
Amortization of leasehold rights (Note 9)	2,329,547	—
Depreciation - ROU assets (Note 22)	223,968,074	206,409,810
Retirement benefits costs (Note 19)	39,692,567	39,381,411
Provision for expected credit losses and write-off of receivables (Note 18)	—	71,007
Loss on retirement/disposal of fixed assets (Note 16)	598,982	417,486
Foreign currency exchange gains (Note 16)	(577,380)	589,950
Gain on lease modifications (Notes 16 and 22)	(157,206,212)	—
Interest income (Note 16)	(12,903,340)	(16,943,864)
Operating income before working capital changes	1,005,462,195	1,054,497,034
Decrease (increase) in:		
Receivables	412,458,399	385,548,060
Merchandise inventories	(469,680,852)	(10,475,138)
Other current assets	41,767,252	(58,863,852)
Increase (decrease) in:		
Trade and other payables	(455,757,458)	(965,227,504)
Contract liabilities	(20,254,663)	(15,252,879)
Other current liabilities	11,378,932	(3,445,087)
Cash flows generated from operations	525,373,805	386,780,634
Income tax paid	(122,339,428)	(120,358,220)
Interest received	14,901,961	18,193,870
Retirement benefits paid	(78,230,211)	(8,696,150)
Net cash generated from operating activities	339,706,127	275,920,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment (Note 8)	(745,946,458)	(695,368,819)
Decrease in short-term investments	—	139,919,638
Interest from financial asset at FVOCI (Note 9)	3,125,000	—
Increase in other noncurrent assets	(33,912,453)	(141,836,156)
Net cash used in investing activities	(776,733,911)	(697,285,337)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availment (Note 12)	600,000,000	350,000,000
Purchase of treasury stocks (Note 14)	(1,923,624)	(866,997)
Payment of:		
Dividends payable (Note 14)	(194,085,300)	(194,535,900)
Loans payable (Note 12)	(952,430,556)	(436,805,556)
Lease liabilities (Note 22)	(295,297,458)	(412,335,288)
Interest	(89,243,213)	(76,051,241)
Net cash used in financing activities	(932,980,151)	(770,594,982)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,370,007,935)	(1,191,960,185)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE (Note 16)	577,380	(589,950)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,485,143,661	2,299,422,529
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 3)	₱1,115,713,106	₱1,106,872,394

See accompanying Notes to Group Interim Condensed Financial Statements.

METRO RETAIL STORES GROUP, INC. AND SUBSIDIARY

NOTES TO GROUP UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

1. Corporate Information and Approval of the Financial Statements

Corporate Information

Metro Retail Stores Group, Inc. (MRSGL or the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (the SEC) on August 28, 2003 in the Republic of the Philippines. The Parent Company is 81.27%-owned by Vicsal Development Corporation (VDC), the immediate parent, 0.77%-owned by Valueshop Stores, Inc., and the rest by the public. Its primary purpose is to buy, sell and trade, goods, wares and merchandise of every kind and description and in general to carry on the businesses of a supermarket, hypermarket and department store operator. The Parent Company began commercial operations on November 19, 2004.

The Parent Company's common stock was listed with the Philippine Stock Exchange (PSE) on November 24, 2015 (see Note 15).

The Parent Company's principal place of business is located at Vicsal Building, corner of C.D. Seno and W.O. Seno Streets, Guizo North Reclamation Area, Mandaue City, Cebu.

Closure of Money Changer/Foreign Exchange Dealer business (MC/FXD)

On November 6, 2024, the Group's BOD approved the permanent closure of the MC/FXD business of the Group. On February 1, 2025, the Group formally notified the Bangko Sentral ng Pilipinas of the permanent closure of the MC/FXD business effective end of business hours of April 1, 2025. The BSP acknowledged the notification on July 29, 2025.

Acquisition of Apple Drugstore Corp.

On April 4, 2025, the Board of Directors of the Parent Company approved the acquisition of Apple Drugstore Corp. (ADC) through sale of 2,500 common shares held by Vicsal Development Corporation for a total consideration of ₱5.00 million representing full ownership of the acquired subsidiary.

ADC is a domestic corporation organized and existing under and by virtue of the laws of the Republic of the Philippines. ADC was registered with the SEC on September 11, 2003 with the primary purpose of buying, selling, trading, importing, exporting and otherwise dealing in any and all kinds of pharmaceutical products, medicines, foodstuffs, groceries, and in general, carrying on the business of a retailer and wholesaler of goods. The registered office address and place of business of ADC is at Super Metro Mandaue, Ibabao Estancia, Mandaue City. ADC commenced its commercial operations in February 2026.

Approval of the Financial Statements

The unaudited interim condensed consolidated financial statements of the Group as at June 30, 2026 and for the six-month periods ended June 30, 2026 and 2025 were approved and authorized by the Board of Directors (BOD) on August 7, 2026.

2. Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies

Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Group have been prepared on a historical cost basis and are presented in Philippine Peso (₱), which is the Group's functional currency. Amounts are rounded off to the nearest Philippine Peso, except where otherwise indicated.

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2025.

Statement of Compliance

The accompanying unaudited interim condensed consolidated financial statements as of June 30, 2026 and for the six-month periods ended June 30, 2026 and 2025 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

Principles of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the wholly owned subsidiary mentioned in Note 1. The financial statements of the subsidiary is prepared for the same reporting year as the Parent Company using consistent accounting policies.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2026. Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements.

- Amendments to PAS 21, Lack of exchangeability

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Standards and Interpretation 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 the consolidated financial Statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2027

- 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

- 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. The application of the standard is optional for eligible entities.

Deferred effectivity

- Amendments to PFRS 10, *Financial Statements*, 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 Financial and Sustainability Reporting Standards Council 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.

3. Cash and Cash Equivalents

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	₱62,889,444	₱82,908,328
Cash in banks	910,481,009	1,761,963,237
Cash equivalents	142,342,653	640,272,096
	₱1,115,713,106	₱2,485,143,661

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months, depending on the immediate cash requirements of the Group, and earn annual interest at the respective short-term rates.

Interest income earned from cash and cash equivalents amounted to ₱7.42 million and ₱10.94 million for the six-month periods ended June 30, 2026 and 2025, respectively (see Note 16).

4. Short-term Investments

This account pertains to money market placements made for varying periods of up to one year depending on the immediate cash requirement of the Group and earn annual interest at the respective short-term investment rates of 3.15% in 2026 and 2.80% to 3.15% in 2025.

Short term investments amounted to ₱150.00 million as of June 30, 2026 and December 31, 2025.

Interest income earned from short-term investments amounted to ₱2.36 million and ₱2.87 million for the six-month periods ended June 30, 2026 and 2025, respectively (see Note 16).

5. Receivables

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade		
Third parties	₱549,427,773	₱948,751,346
Rentals	149,067,595	132,902,450
	698,495,368	1,081,653,796
Less allowance for expected credit losses	(36,136,725)	(36,136,725)
	662,358,643	1,045,517,071
Nontrade		
Receivable from insurance	113,879,287	111,035,604
Related parties (Note 20)	79,337,489	107,686,028
Accrued interest receivable	1,691,309	3,689,930
Others	125,863,437	129,658,552
	₱983,130,165	₱1,397,587,185

Trade receivables from third parties pertain to credit sales mainly from the Group's credit account holders and credit card companies. These are noninterest-bearing and are generally collectible within 30–90 days.

Rentals pertain to receivables from tenants that lease spaces in the Group's stores. These are noninterest-bearing and are collectible within 15 days.

Receivable from insurance represent the Group's claims against insurance coverage for losses arising from asset damage and for the recovery of additional costs incurred as a result of a strong earthquake and from an equipment breakdown.

Others consist of, among others, advances to employees, construction cash bond for store fit-outs and receivable from Social Security System (SSS) on maternity loans proceeds which are collectible within the year.

Movements in the allowance for expected credit losses for individually and collectively impaired trade receivables and rentals from third parties follow:

Allowance for expected credit losses

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning of period	₱36,136,725	₱32,925,134
Add provisions	–	3,211,591
End of period	₱36,136,725	₱36,136,725

6. Merchandise Inventories

The rollforward analysis of this account follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning inventory	₱6,575,303,686	₱6,301,745,958
Add purchases - net	15,454,270,315	32,841,797,623
Cost of goods available for sale	22,029,574,001	39,143,543,581
Less cost of merchandise sold (Note 17)	(14,970,392,141)	(32,435,668,746)
Less inventory loss due to calamities	–	(92,785,541)
	7,059,181,860	6,615,089,294
Less allowance for shrinkage and decline in inventory values	(14,197,322)	(39,785,608)
Ending inventory	₱7,044,984,538	₱6,575,303,686

Net purchases include cost of inventory, freight charges, insurance and customs duties.

No inventories have been pledged as security for the Group's obligations as at June 30, 2026 and December 31, 2025. The Group does not have any purchase commitments as at June 30, 2026 and December 31, 2025.

7. Other Current Assets

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Advances to trade suppliers		
Related parties (Note 20)	₱180,229,626	₱220,879,822
Third parties	6,193,373	8,512,412
Security deposits - current	92,304,426	92,276,648
Prepayments		
Third parties	169,209,637	145,348,343
Related parties (Note 20)	5,202,740	58,125,542
Supplies	47,333,406	45,439,618
Deferred input VAT - current	467,634	1,277
Prepaid income tax	51,885,628	–
	552,826,470	570,583,662
Allowance for impairment losses	(2,550,000)	(2,550,000)
	₱550,276,470	₱568,033,662

Advances to suppliers pertain to down payments made to suppliers for purchases of merchandise inventories, supplies and other services.

Prepayments consist of prepaid insurance and advance rental payments on short-term leases.

Security deposits - current pertains to leases with remaining lease period of one year or less from reporting period.

Input VAT pertains to taxes imposed on purchase of goods and services. These are expected to be fully amortized within one year.

Supplies pertain to office and store supplies purchased by the Group for general and administrative purposes. These are recognized at cost.

Allowance for impairment losses pertains to estimated unrecoverable security deposits. There is no movement in the allowance for impairment losses on other current assets.

8. Property and Equipment

For the six-month periods ended June 30, 2026 and 2025, total additions to property and equipment amounted to ₱790.85 million and ₱798.83 million, respectively, while depreciation and amortization amounted to ₱369.61 million and ₱386.46 million for the six-month periods ended June 30, 2026 and 2025, respectively.

There are no items of property and equipment that are pledged as security to liabilities as at June 30, 2026 and December 31, 2025.

The Group has contractual purchase commitments related to construction-in-progress amounting to ₱614.99 million and ₱626.47 million as of June 30, 2026 and December 31, 2025, respectively.

As of June 30, 2026 and December 31, 2025, the Group's net book value of property and equipment amounted to ₱9,064.43 million and ₱8,643.79 million, respectively.

9. Other Noncurrent Assets

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Deposits	₱381,933,743	₱378,771,836
Advances to nontrade suppliers		
Third parties	316,167,595	320,467,054
Related parties (Note 20)	558,269	11,851,154
Leasehold rights – net	130,842,880	133,172,427
Financial asset at fair value through other comprehensive income (FVOCI)	100,000,000	100,000,000
Deferred input VAT	5,302,877	8,414,849
Others	1,473,215	49,000
	936,278,579	952,726,320
Less allowance for impairment loss	(12,445,692)	(12,445,692)
	₱923,832,887	₱940,280,628

Deposits are payments to lessors for advance rental and security deposits and to utility companies for meter deposits. Security deposits, less any unpaid rent and other charges, are refundable to the Group at the end of contract term.

Advances to nontrade suppliers pertain to advance payments made for the acquisition of property and equipment and are to be delivered up to six months.

Leasehold rights pertains to the construction cost for facilities on a property owned by the lessor. The agreement to construct the facilities and development on the property is part of the condition of the lease (Note 18).

Financial assets at FVOCI pertains to a retail bond with 5-year term, and earns interest 6.25% per annum. Interest income arising from these investments amounted to ₱3.12 million for both of the six-month periods ended June 30, 2026 and 2025 (see Note 16).

Deferred input VAT arises from purchases of capital goods above ₱1.00 million prior to 2022. This is amortized for a period of five years or over the useful life of the asset purchased, whichever is shorter.

Allowance for impairment losses pertains to long outstanding advances to nontrade suppliers. There is no movement in the allowance for impairment losses on advances to supplier.

10. Trade and Other Payables

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade		
Third parties	₱3,017,582,253	₱3,318,268,101
Related parties (Note 20)	10,627,145	55,871,298
Nontrade		
Third parties	709,711,159	695,906,759
Related parties (Note 20)	49,961,088	65,226,450
Accrued expenses	603,441,797	536,041,530
Credit cash bonds	219,941,214	223,802,981
Output VAT- net	89,728,503	236,161,481
Taxes payable	44,207,187	64,435,500
Others	199,412,833	206,656,347
	₱4,944,613,179	₱5,402,370,447

Trade payables pertain to payables to third parties and related parties arising mainly from purchases of merchandise inventories. These are generally noninterest-bearing and are normally settled in 30 days.

Nontrade payables consist of purchases of supplies, property and equipment and other services and retention payables to contractors for the Group's store equipment, leasehold improvements and liabilities in line with the Group's operating expenses. These are normally settled within twelve months.

Accrued expenses consist of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Suppliers and contractors	₱188,397,216	₱176,490,073
Utilities	127,466,867	138,560,223
Short-term rentals	150,474,180	152,413,448
Marketing-related cost	22,432,436	24,730,198
Professional fees	52,969,801	38,812,536
Other accruals	61,701,297	5,035,052
	₱603,441,797	₱536,041,530

Other accruals pertain to government remittances, and other operating related expenses.

Credit cash bonds pertain to cash bonds received by the Group as security for the unpaid balances of the receivables from credit account holders. This will be refunded if the account holder no longer wants to avail of the Group's credit line. These bonds earn interest annually at a fixed rate ranging from 0.5%–5.0% based on accumulated cash bond and purchases volume.

Taxes payable pertains to amount of taxes withheld by the Group on income payments yet to be remitted to the government.

Others include amounts payable to government agencies for mandatory contributions and payments to the SSS, Philippine Health Insurance Corporation (PHIC), and the Home Development Mutual Fund (HDMF), current portion of tenant's deposits which pertains to security deposits from tenants for the lease of space in the Group's stores with remaining lease period of one year or less from reporting period and other sundry payables.

11. Contract Liabilities

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Gift check outstanding	₱24,869,361	₱52,983,022
Stored value cards	48,711,258	40,852,260
Accrued customer loyalty reward	28,832,581	28,832,581
	₱102,413,200	₱122,667,863

These items can only be redeemed from the Group's own stores. These are expected to be redeemed within twelve months.

12. Loans Payable

Short-term bank loans

The Group availed of short-term loans payable from local banks in an aggregate amount of ₱600.00 million in 2026 and ₱1,350.00 million in 2025, with interest rates ranging from 4.75% - 6.00% per annum. These were payable within twelve months and were availed for additional working capital requirements.

Outstanding balance of short-term bank loans amounted to ₱600.00 million and ₱700.00 million as of June 30, 2026 and December 31, 2025, respectively.

Long-term bank loans

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Long-term bank loans with nominal interest rates ranging from 4.00%–5.84% per annum	₱2,760,763,889	₱3,013,194,444
Less current portion of loans payable	(476,736,111)	(489,236,111)
	2,284,027,778	2,523,958,333
Less unamortized debt issue cost	(5,864,714)	(7,320,298)
Noncurrent portion of loans payable	₱2,278,163,064	₱2,516,638,035

Long-term bank loans

On March 30, 2021, the Group availed an unsecured long-term loan of ₱500.00 million payable in thirty-two equal quarterly installments of ₱15.63 million commencing on June 30, 2023 to March 28, 2031. The loan bears a nominal interest rate of 4.00% - 5.24% per annum.

On March 3, 2022, the Group availed an unsecured long-term loan of ₱500.00 million payable in thirty-six equal quarterly installments of ₱13.89 million commencing on June 5, 2023 to March 3, 2032. The loan bears a nominal interest rate of 5.00% - 5.14% per annum.

On March 17, 2022, the Group availed an unsecured long-term loan of ₱500.00 million payable in thirty-six equal quarterly installments of ₱13.89 million commencing on June 5, 2023 to March 3, 2032. The loan bears a nominal interest rate of 5.00% - 5.14% per annum.

On March 24, 2022, the Group availed an unsecured long-term loan of ₱1,500.00 million payable in twenty equal quarterly installments of ₱75.00 million commencing on June 24, 2024 to March 23, 2029. The loan bears a nominal interest rate of 5.71% - 5.84% per annum.

On February 27, 2025 the Group availed an unsecured long-term loan of ₱100.00 million payable in thirty two equal quarterly installments of ₱3.12 million commencing on May 27, 2027 to February 27, 2035. The loan bears a nominal interest rate of 5.00% - 5.14% per annum.

On November 13, 2025, the Group availed an unsecured long-term loan of ₱900.00 million payable in thirty-two equal quarterly installments of ₱28.12 million commencing on February 14, 2028 to November 13, 2035. The loan bears a nominal interest rate of 5.00% - 5.16% per annum.

Long-term bank loans were availed to finance construction of new store buildings.

The Group's long-term debt consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
10-year loan due on March 28, 2031	₱296,875,000	₱343,750,000
10-year loan due on March 3, 2032	319,444,445	347,222,222
10-year loan due on March 3, 2032	319,444,444	347,222,222
7-year loan due on March 23, 2029	825,000,000	975,000,000
10-year loan due on November 13, 2029	900,000,000	900,000,000
10-year loan due on February 27, 2035	100,000,000	100,000,000
	2,760,763,889	3,013,194,444
Less unamortized debt issue cost	(5,864,714)	(7,320,298)
	₱2,754,899,175	₱3,005,874,146

The Group has no negative covenants and no prepayment options for its loans payable outstanding as of June 30, 2026 and December 31, 2025. Interest expense from bank loans amounted to ₱84.74 million and ₱74.61 million as of June 30, 2026 and 2025, respectively (see Note 16).

The movement of the unamortized debt issue cost follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning of period	₱7,320,298	₱10,734,170
Amortization	(1,455,584)	(3,413,872)
End of period	₱5,864,714	₱7,320,298

The repayment schedule of Group's long-term debt is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
2026	₱236,805,556	₱489,236,111
2027	482,986,111	482,986,111
2028	598,611,111	598,611,111
2029-2035	1,442,361,111	1,442,361,111
	₱2,760,763,889	₱3,013,194,444

13. Other Noncurrent Liabilities

Other noncurrent liabilities pertain to security deposits from tenants for the lease of space in the Group's stores, with remaining lease period of more than one year from the reporting period. These security deposits are refundable to the tenants upon termination of contract.

Other noncurrent liabilities amounted to ₱26.10 million and ₱14.72 million as of June 30, 2026 and December 31, 2025, respectively.

14. Equity

Capital Stock

The Group's common stock consists of:

	June 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	No. of shares	Amount	No. of shares	Amount
Common stock - ₱1.00 par value				
Authorized	10,000,000,000	₱10,000,000,000	10,000,000,000	₱10,000,000,000
Issued	3,429,375,000	3,429,375,000	3,429,375,000	3,429,375,000
Outstanding, beginning of year	3,235,091,000	3,159,221,574	3,242,438,000	3,167,848,107
Treasury shares acquired during the year	(1,745,000)	(1,923,624)	(7,347,000)	(8,626,533)
Outstanding, end of year	3,233,346,000	₱3,157,297,950	3,235,091,000	₱3,159,221,574

The Group was listed on the Main Board of the PSE on November 24, 2015 wherein it offered 905,375,000 shares at an offer price of ₱3.99 per share.

Additional Paid-in Capital

The Group recorded additional paid-in capital amounting to ₱2,455.54 million, net of transaction costs. The Group incurred transaction costs incidental to the IPO amounting to ₱251.53 million charged against "Additional paid-in capital" in the statements of financial position.

Treasury Shares

On January 22, 2021, the BOD of the Group has approved the implementation of a share buyback program of up to ₱300.00 million worth of the Group's common shares to be taken from the Group's existing cash (without using the IPO proceeds) and supported by the unrestricted retained earnings.

As of June 30, 2026, the Group repurchased a total of 196,029,000 shares for a total amount of ₱272.08 million. These treasury shares are recorded at cost.

Stock Option Plan

The BOD and stockholders of the Group have adopted resolutions on July 27, 2015 approving the establishment of a stock option plan to offer up to 103,320,000 shares out of its unissued capital stock to key personnel.

On December 23, 2022, the Board of Directors has approved the MRSGL Executive Stock Option Plan or MESOP. The Group has allotted 1% of the total outstanding capital stock as of December 20, 2022 or 32,832,230 common shares out of its Treasury Shares for the MESOP.

In a Special Meeting of the stockholders held on February 7, 2023, the stockholders of MRSGL owning at least 2/3 of the total outstanding capital stock have ratified the MESOP. An application for the approval of the MESOP was submitted to the Securities and Exchange Commission on February 17, 2023 and this was approved by the Commission on May 29, 2023.

Retained Earnings

On March 19, 2026, the BOD approved the declaration of regular cash dividends amounting to ₱194.09 million or ₱0.06 per share out of the Group's retained earnings as of December 31, 2025 to stockholders of record as of April 8, 2026 and paid on May 6, 2026.

15. Revenue from Contracts with Customers

All of the Group's net sales and portion of other income are revenue from contracts with customers recognized at a point in time or when it transfers control of a product to a customer.

The Group's revenue from contracts with customers accounted for under PFRS 15 are presented in the statements of comprehensive income as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Net sales	₱19,361,925,174	₱18,783,469,798
Other income (Note 16)		
Scrap sales	5,219,131	6,456,012
Others	25,261,591	19,388,233
Total revenue from contracts with customers	₱19,392,405,896	₱18,809,314,043

The following table disaggregates the Group's net sales by geographical markets and major goods or service lines.

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Geographical markets		
Luzon	₱4,952,879,378	₱4,997,177,794
Visayas	14,409,045,796	13,786,292,004
Total revenue from contracts with customers from net sales	₱19,361,925,174	₱18,783,469,798
Major goods/service lines:		
Food retail	₱14,304,421,391	₱13,785,490,017
General Merchandise	5,057,503,783	4,997,979,781
Total revenue from contracts with customers from net sales	₱19,361,925,174	₱18,783,469,798

16. Other income

Interest and other income

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Gain on lease modifications (Note 22)	₱157,206,212	₱119,871,038
Interest income (Notes 3, 4 and 9)	12,903,340	16,943,864
Foreign currency exchange gains (loss)	577,380	(589,950)
Scrap sales	5,219,131	6,456,012
Others	24,662,609	18,970,747
	₱200,568,672	₱161,651,711

Gain on lease modifications in 2026 and 2025 pertains to the difference between the carrying amount of right-of-use asset and lease liability when the Group reduced the leased space of a store.

Scrap sales pertain to the sale of non-reusable cartons, sacks, containers, and other scrap items from the Group's stores.

Interest income pertains to the interest earned from deposits in banks, cash placements, financial assets at FVOCI and interest earned from short-term installment receivables from guarantors and employees.

Others include loss from retirement of fixed assets and income from various sources such as parking income, lotto operations, penalties and others.

Finance costs

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Finance cost on lease liabilities (Note 22)	₱169,285,375	₱169,158,876
Interest expense from bank loans (Note 12)	84,736,049	74,612,476
Interest expense on cash bond (Note 10)	3,962,938	3,643,751
	₱257,984,362	₱247,415,103

17. Cost of Sales

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Cost of merchandise sold (Note 6)	₱14,970,392,141	₱14,664,340,961
Others (Note 18)	21,030,652	21,943,679
	₱14,991,422,793	₱14,686,284,640

Others pertain to the direct labor and other overhead costs.

18. Operating Expenses

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Personnel cost (Note 19)	₱1,054,039,045	₱1,040,579,540
Rental (Note 22)	731,026,000	720,303,660
Light, water and communications	567,237,444	538,687,045
Depreciation and amortization of property and equipment and leasehold rights (Notes 8 and 9)	371,898,417	386,421,044
Contracted services	392,281,702	323,981,470
Taxes and licenses	217,257,265	208,776,348
Depreciation and amortization of right-of-use assets (Note 22)	223,968,074	206,409,810
Repairs and maintenance	198,033,172	149,238,741
Supplies	78,717,685	84,234,255
Subscriptions	68,196,555	63,783,218
Commission	94,505,902	86,245,935
Advertising	91,098,634	92,948,075
Insurance	49,925,610	47,835,381
Professional fees	32,635,947	33,746,683
Transportation and travel	31,666,009	26,898,844
Others	17,393,063	17,360,688
	₱4,219,880,524	₱4,027,450,737

Depreciation and amortization of right-of-use assets recorded in the statements of comprehensive income is net of rent concessions amounting to nil and ₱5.26 million in June 30, 2026 and 2025, respectively (see Note 22).

Others pertain to representation, entertainment, donations and contributions.

19. Personnel Cost

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Salaries and wages	₱856,310,527	₱847,169,175
Retirement benefit cost	181,228,859	39,381,411
Other employee benefits	39,487,101	179,408,512
	₱1,077,026,487	₱1,065,959,098

Personnel cost that were recognized as cost of sales amounted to ₱13.49 million and ₱14.27 million as of June 30, 2026 and 2025, respectively.

Personnel cost that were capitalized as part of construction-in-progress amounted to ₱9.50 million and ₱11.11 million of June 30, 2026 and 2025, respectively.

Other employee benefits consist of the required employer contributions to SSS, PHIC and HDMF, 13th month pay and other incentives.

As of June 30, 2026, the Group's retirement benefit obligation and remeasurement gains on the defined benefit obligation amounted to ₱497.33 million and ₱106.97 million, respectively. As of December 31, 2025, these amounted to ₱535.87 million and ₱106.97 million, respectively.

20. Related Party Transactions

Parties are considered to be 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. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Terms and Conditions of Transactions with Related Parties

Transactions with related parties are made at terms agreed by the parties. Outstanding balances at year end are unsecured, noninterest-bearing and settled in cash usually within one year. There have been no guarantees or collaterals provided or received for any related party receivables or payables. The significant related party transactions and outstanding balances as of and for the years ended June 30, 2026 and December 31, 2025 are as follows:

June 30, 2026

	Amount/Volume	Outstanding	Terms and Conditions
<i>Immediate Parent (VDC)</i>			
Advances (see Note 5; a)	₱8,931,141	₱47,893,852	Noninterest-bearing and due in 30 days, unsecured
Prepayment on rentals (see Note 7; b)	479,185,412	5,202,740	Noninterest-bearing and due in 30 days, unsecured
<i>Entities Under Common Control</i>			
Advances and rental income (see Note 5; c, d and f)	60,905,649	31,443,637	Noninterest-bearing and due in 30 days, not impaired
Advances to suppliers (see Notes 7 and 9; d)	489,226,938	180,787,895	Noninterest-bearing and for application within 30 days, not impaired
Due from related parties		₱265,328,124	

	Amount/Volume	Outstanding	Terms and Conditions
<i>Immediate Parent (VDC)</i>			
Purchases of services and rent expense (see Note 10; c and d)	10,096,868	(P3,371,776)	Noninterest-bearing and payable in 30 days, unsecured
Management fee (Note 10; e)	12,839,541	–	Noninterest-bearing and payable in 30 days, unsecured
<i>Entities Under Common Control</i>			
Lease liabilities (see Note 22; b)	2,413,016	(81,279,749)	Noninterest-bearing and payable in 30 days, unsecured
Purchase of goods (see Note 10; d)	73,373,620	(10,627,145)	Noninterest-bearing and payable in 30 days, unsecured
Purchases of services and rent expense (see Note 10; c and d)	130,280,633	(46,589,312)	Noninterest-bearing and payable in 30 days, unsecured
Due to related parties		(P141,867,982)	

December 31, 2025

	Amount/Volume	Outstanding	Terms and Conditions
<i>Immediate Parent (VDC)</i>			
Advances (see Note 5; a)	P86,304,887	P69,832,635	Noninterest-bearing and due in 30 days, unsecured
Prepayment on rentals(see Note 7; b)	1,010,321,715	53,576,190	Noninterest-bearing and due in 30 days, unsecured
<i>Entities Under Common Control</i>			
Advances and rental income (see Note 5; c, d and f)	139,294,180	37,853,393	Noninterest-bearing and due in 30 days, not impaired
Prepayment on rentals (Note 7; b)	29,798,255	4,549,352	Noninterest-bearing, unsecured, not impaired
Advances to suppliers (see Notes 7 and 9; d)	1,034,234,912	232,730,976	Noninterest-bearing and for application within 30 days, not impaired
Due from related parties		P398,542,546	

	Amount/Volume	Outstanding	Terms and Conditions
<i>Immediate Parent (VDC)</i>			
Management fee (Note 10; e)	P23,055,592	P–	Noninterest-bearing and payable in 30 days, unsecured
Purchases of services and rent expense (Note 10; c and d)	13,684,946	–	Noninterest-bearing and payable in 30 days, unsecured
<i>Entities Under Common Control</i>			
Lease liabilities (Note 22; b)	81,030,021	(95,866,330)	Noninterest-bearing and payable in 30 days, unsecured

	Amount/Volume	Outstanding	Terms and Conditions
Purchase of goods (Note 10; d)	163,071,999	(55,871,298)	Noninterest-bearing and payable in 30 days, unsecured
Purchases of services and rent expense (Note 10; c and d)	304,052,357	(65,226,450)	Noninterest-bearing and payable in 30 days, unsecured
Due to related parties		(P216,964,078)	

The Group, in the normal course of business, entered into the following transactions with related parties:

- Advances to VDC pertain to expenses paid by the Group on behalf of VDC and vice versa.
- Rentals from leases for the Group's store spaces, offices and warehouses. The Group recognized "Lease liabilities" for fixed rent and "Prepayments" under Other Current Assets representing advance payments to the lessor to be applied to the subsequent billing and "Trade and other payables" for variable rent.
- The Group has receivables and payables pertaining to rental transactions in the Group's stores. These are noninterest-bearing and are collectible within 30 days.
- The Group has short-term noninterest-bearing receivables and payables in the normal course of business pertaining to the recovery of expenses, sales and purchases of goods and services.
- The Group entered into an agreement with VDC for legal and other services. Management fee is lodged in "Professional fees" under "Operating expenses" in the Group statements of comprehensive income.

The Group has an approval requirement and limits on the amount and extent on any related party transactions which is 10% or higher of the Group's total assets based on its latest audited financial statements.

Cash placements and bank accounts with Wealth Development Bank Corporation (an entity under common control) amounted to P260.92 million and P448.36 million as of June 30, 2026 and December 31, 2025, respectively, which earn interest based on prevailing market interest rates.

21. Income Taxes

Provision for income tax consists of:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Current	P96,431,202	P88,335,616
Deferred	(26,705,510)	(43,902,134)
	P69,725,692	P44,433,482

The provision for current income tax for the six-month periods ended June 30, 2026 and 2025 pertains to minimum corporate income tax and final tax.

As of June 30, 2026 and December 31, 2025, the Group's deferred tax assets amounted to ₱525.63 million and ₱498.92 million, respectively, which pertains to income tax effect of retirement benefit obligation, provision for decline in value of inventories, provision for impairment of assets, contract liability from customer loyalty program, unamortized debt issuance cost and PFRS 16 adjustments.

22. Lease Commitments

Group as a lessee

The Group enters into lease agreements with third parties and related parties for the Group's stores, warehouses and corporate office space. The Group also entered into lease arrangements covering various computer equipment used in the operations of the Group. These leases have terms ranging from one to 41 years and generally provide for either: (a) fixed monthly rent; or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. Certain leases include a clause to enable upward revision on the rental charge on an annual basis based on prevailing market conditions.

The Group's obligations under its leases are subject to interest and penalty in cases of default of payment. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of equipment and staff-houses with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rollforward analysis of right-of-use assets follows:

June 30, 2026

	Land	Building	Total
<u>Cost</u>			
At January 1, 2026	₱2,209,389,291	₱4,783,368,864	₱6,992,758,155
Additions	–	384,814,907	384,814,907
Lease modifications	–	(43,908,045)	(43,908,045)
At June 30, 2026	2,209,389,291	5,124,275,726	7,333,665,017
<u>Accumulated depreciation</u>			
At January 1, 2026	1,031,249,780	2,089,475,683	3,120,725,463
Depreciation	32,005,965	191,962,109	223,968,074
Lease modifications	–	(186,543,632)	(186,543,632)
At June 30, 2026	1,063,255,745	2,094,894,160	3,158,149,905
Less allowance for impairment losses			
At January 1, 2026	–	31,891,172	31,891,172
Write-off	–	–	–
At June 30, 2026	–	31,891,172	31,891,172
Net Book Value	₱1,146,133,546	₱2,997,490,394	₱4,143,623,940

December 31, 2025

	Land	Building	Total
<u>Cost</u>			
At January 1, 2025	₱1,929,493,200	₱5,512,200,049	₱7,441,693,249
Additions	279,896,091	628,260,593	908,156,684
Lease modification	–	(1,164,254,082)	(1,164,254,082)
Lease termination	–	(192,837,696)	(192,837,696)
At December 31, 2025	2,209,389,291	4,783,368,864	6,992,758,155
<u>Accumulated depreciation</u>			
At January 1, 2025	956,289,903	1,877,703,752	2,833,993,655
Amortization	74,959,877	379,829,081	454,788,958
Lease modification	–	(102,038,456)	(102,038,456)
Lease termination	–	(66,018,694)	(66,018,694)
At December 31, 2025	1,031,249,780	2,089,475,683	3,120,725,463
Less allowance for impairment losses			
At January 1	–	78,394,757	78,394,757
Write-off	–	(46,503,586)	(46,503,586)
At December 31, 2025	–	31,891,171	31,891,171
Net Book Value	₱1,178,139,511	₱2,662,002,010	₱3,840,141,521

The following are the amounts recognized in statement of income:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Variable lease payments (Note 18)*	₱447,331,330	₱386,729,962
Finance cost on lease liabilities (Note 16)	169,285,375	169,158,876
Depreciation expense of right-of-use assets – net (Note 18)	223,968,074	206,409,810
Gain on lease modifications (Note 16)	(157,206,212)	(119,871,038)
Expenses relating to short-term leases (Note 18)*	283,694,670	333,573,698
Total amount recognized in statement of income	₱967,073,237	₱976,001,309

*Included in "Rental" under "Operating Expenses" in the consolidated statement of comprehensive income

The rollforward analysis of lease liabilities follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
At beginning of year	₱5,241,043,323	₱5,917,238,756
Additions	384,814,907	908,156,684
Finance cost (Note 16)	169,285,375	374,685,239
Payments	(296,636,431)	(636,362,735)
Waived rentals	–	(18,207,822)
Lease modifications and termination	(13,231,653)	(1,304,466,799)
	₱5,485,275,521	₱5,241,043,323

Classification of lease liabilities follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Current portion	₱227,423,517	₱182,564,725
Noncurrent portion	5,257,852,004	5,058,478,598
	₱5,485,275,521	₱5,241,043,323

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within one year	₱606,831,853	₱491,579,917
More than one year but not more than five years	2,066,408,212	1,870,339,304
More than five years	7,164,579,356	7,112,241,860
	₱9,837,819,421	₱9,474,161,081

Group as lessor

The Group entered into lease agreements with tenants for the use of space in the Group's stores. These lease agreements have terms ranging from one to ten years. Certain leases include a clause to enable upward revision on the rental charge on an annual basis based on prevailing market rate conditions.

Tenants are required to pay for security deposits, subject to adjustment if minimum rent increases; refundable at the end of the lease term, after deducting the amount of damages to the leased premises and unpaid charges, if any. Security deposits amounted to ₱128.38 million and ₱123.14 million as of June 30, 2026 and December 31, 2025, respectively (Notes 10 and 13).

Rental income amounted to ₱188.76 million and ₱206.73 million as of June 30, 2026 and 2025, respectively.

23. Earnings Per Share

The following table presents information necessary to calculate EPS on net income:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Net income	₱212,244,558	₱146,266,142
Weighted-average number of common shares for basic EPS	3,216,559,359	3,242,290,298
Add: Dilutive shares arising from stock options (Note 14)	18,493,740	28,028,562
Adjusted weighted-average number of common shares for diluted EPS	3,235,053,099	3,270,318,860
Basic/Diluted EPS	₱0.07	₱0.04

24. Segment Reporting

The Group has determined that it is operating as one operating segment. Based on management's assessment, no part or component of the business of the Group meets the qualifications of an operating segment as defined by PFRS 8.

The Group's store operations is its only income generating activity and such is the measure used by the CODM in allocating resources.

The Group conducts its operations through the following store formats:

Department Stores

Department stores are engaged in the business of trading goods, commodities, wares and merchandise of any kind, such as clothes, bags, accessories, toys, and household goods.

Supermarket

Supermarkets offer a wide selection of meats, seafoods, fruits and vegetables and organic produce. This format also offers ancillary services such as pharmacy, bakeshop, café and fastfood outlets. A supermarket maybe a stand-alone supermarket or opened together with a department store.

Hypermarkets

Hypermarkets consist of "superstores" which is a combination of supermarket and department store which offer a wide range of product including full grocery lines and general merchandise.

The Group does not report its results based on geographical segments. The Group has no significant customer which contributes 10% or more to the revenues of the Group.

25. Financial Instruments

Fair Value of Financial Instruments

As of June 30, 2026 and December 31, 2025, the Group has no financial asset and liability carried at fair value.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) 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

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

Financial Assets

Due to the short-term nature of the transaction, the fair values of cash and cash equivalents, short-term investments, trade receivables, rentals and receivable from related parties, other receivables (Claims from insurers and accrued interest receivable) and security deposits under "Other current assets" approximate the carrying values at end of reporting period.

Financial Liabilities

Due to the short-term nature of trade and other payables (excluding statutory payables), loans payable, current portions of lease liabilities, their carrying values approximate fair value at end of reporting period.

There were no transfers between levels 1, 2 and 3.

Financial Risk Management Objectives and Policies

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 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.

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's exposure to liquidity risk relates primarily to its short-term obligations.

The Group seeks to manage its liquidity profile by maintaining cash at a certain level and ensuring the availability of ample unused revolving credit facilities from banks as back-up liquidity that will enable it to finance its operating expenses.

The Group maintains a level of cash 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 liabilities 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 liabilities:				
Trade and other payables				
Trade				
Third parties	P=	P3,017,582,253	P=	P3,017,582,253
Related parties	-	10,627,145	-	10,627,145
Nontrade				
Third parties	-	709,711,159	-	709,711,159
Related parties	-	49,961,088	-	49,961,088
Accrued expenses	-	603,441,797	-	603,441,797
Credit cash bonds	-	219,941,214	-	219,941,214
Others*	-	172,510,227	-	172,510,227
Long-term bank loans:				
Principal	-	476,736,111	2,284,027,778	2,760,763,889
Future interest payments	-	142,780,161	379,419,559	522,199,720
Short-term bank loans**	-	602,424,658	-	602,424,658
Lease liabilities	-	606,831,853	9,230,987,568	9,837,819,421
Other noncurrent liabilities	-	-	26,100,065	26,100,065
	P=	P6,612,547,666	P11,920,534,970	P18,533,082,636

*Excluding statutory payables

**Including future interest of P2,424,658

December 31, 2025

	On Demand	Within One (1) Year	More than One (1) Year	Total
Financial liabilities:				
Trade and other payables				
Trade				
Third parties	₱-	₱3,318,268,101	₱-	₱3,318,268,101
Related parties	-	55,871,298	-	55,871,298
Nontrade				
Third parties	-	695,906,759	-	695,906,759
Related parties	-	65,226,450	-	65,226,450
Accrued expenses	-	536,041,530	-	536,041,530
Credit cash bonds	-	223,802,981	-	223,802,981
Others*	-	195,349,652	-	195,349,652
Short-term bank loans**	-			
Long-term bank loans:		489,236,111	2,523,958,333	3,013,194,444
Principal	-	159,765,673	447,680,351	607,446,024
Future interest payments	-	715,562,500	-	715,562,500
Lease liabilities	-	491,579,917	8,982,581,164	9,474,161,081
Other noncurrent liabilities	-	-	14,721,133	14,721,133
	₱-	₱6,946,610,972	₱11,968,940,981	₱18,915,551,953

*Excluding statutory payables

**Including future interest of ₱15,562,500

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 receivables are actively monitored by its collection department to avoid significant concentrations of credit risk.

The Group manages the level of credit risk it accepts through comprehensive credit risk policies setting out the assessment and determination of what constitutes credit risk for the Group. The Group's policies include: setting up of exposure limits for each counterparty; 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 table below shows the exposure of the Group to credit risk:

	June 30, 2026			
	Maximum exposure to credit risk	Fair value of collaterals or credit enhancements	Net exposure	Financial effect of collaterals or credit enhancements
Receivables:				
Trade				
Third parties	₱549,427,773	₱219,941,214	₱329,486,559	₱219,941,214
Rentals	149,067,595	99,073,145	49,994,450	99,073,145
Nontrade				
Related parties	79,337,489	-	79,337,489	-
Accrued interest receivable	1,691,309	-	1,691,309	-
Receivable from insurance	113,879,287	-	113,879,287	-
Others	125,863,437	-	125,863,437	-
	₱1,019,266,890	₱319,014,359	₱700,252,531	₱319,014,359

December 31, 2025				
	Maximum exposure to credit risk	Fair value of collaterals or credit enhancements	Net exposure	Financial effect of collaterals or credit enhancements
Receivables:				
Trade				
Third parties	₱948,751,346	₱223,802,981	₱724,948,365	₱223,802,981
Rentals	132,902,450	109,109,211	23,793,239	109,109,211
Nontrade				
Receivable from insurance	111,035,604	–	111,035,604	–
Related parties	107,686,028	–	107,686,028	–
Accrued interest receivable	3,689,930	–	3,689,930	–
Others	129,658,552	–	129,658,552	–
	₱1,433,723,910	₱332,912,192	₱1,100,811,718	₱332,912,192

Collaterals or credit enhancements pertain to cash bonds posted by credit account holders to secure payment of credit purchases through the Group's credit facilities. These also pertain to tenants' security deposits which shall be applied against the tenants' last billing.

Other than those disclosed above, the carrying amount of the financial assets represent the maximum exposure of the Group to credit risk.

Impairment of financial assets

The Group has the following financial assets that are subject to the expected credit loss model:

- trade receivables from third party and related parties for sales of inventory;
- rent receivables from third party and related parties for rental of spaces;
- other debt instruments carried at amortized cost

Other debt instruments carried at amortized cost include cash and cash equivalents, short-term investments, accrued interest receivables, refundable security deposits and receivable from insurance. These are also subject to the impairment requirements of PFRS 9, the identified impairment losses were immaterial.

Trade and rent receivables

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade and rent receivables. To measure the expected credit losses, trade and rent receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL on trade and rent 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. The Group has identified the GDP and the unemployment rate of the country in which it sells its goods and accordingly adjusts the historical loss rates based on expected changes in these factors.

Below is the information about the credit risk exposure on the Group's trade receivables and rental using a provision matrix as of June 30, 2026 and December 31, 2025:

June 30, 2026

	Current Stage 1 (12-month ECL)	Credit-impaired Stage 3	Total
Expected credit loss rates	1.33%	100.00%	
Gross carrying amount	₱671,304,505	₱27,190,863	₱698,495,368
ECL	8,945,862	27,190,863	36,136,725

December 31, 2025

	Current Stage 1 (12-month ECL)	Credit-impaired Stage 3	Total
Expected credit loss rates	0.69%	81.54%	
Gross carrying amount	₱1,046,177,499	₱35,476,297	₱1,081,653,796
ECL	7,209,730	28,926,995	36,136,725

Trade receivables are written off when there is no reasonable expectation of recovery. All of the indicators that there is no reasonable expectation of recovery should be present prior to write off which include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, debtor is experiencing significant financial difficulties, and a failure to make contractual payments for a period of greater than 90 days past due. Provisions are measured using Stage 3 ECL where receivables are considered credit impaired.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

26. Seasonality of Operations

The Group experiences seasonal fluctuations in supermarket, department store and hypermarket operations. Historically, sales peak in December of each year, thereafter it slows down in the first quarter of the year and begins to increase in the second quarter, driven by the summer season, the school break in June and July. This is followed by a slowdown in sales in the third quarter due to the rainy season.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Six-month period ended June 30, 2026 versus June 30, 2025

Revenue

Net sales

For the six-month period ended June 30, 2026, our net sales were ₱19,361.9 million, an increase of 3.1% compared to ₱18,783.5 million for the same period last year.

Total food retail business grew by 3.8% while general merchandise business grew by 1.2% over the same period last year.

Blended same store sales increased by 0.2% over the same period last year.

Rental income

For the six-month period ended June 30, 2026, our rental income was ₱188.8 million, representing an 8.7% decrease from ₱206.7 million in the same period last year. The decline was primarily attributable to the partial closure of leasable spaces in stores undergoing renovations.

Cost of sales

For the six-month period ended June 30, 2026, our cost of sales amounted to ₱14,991.4 million, reflecting a 2.1% increase from ₱14,686.3 million in same period last year. Cost of sales increased as sales amount during the period also increased.

Operating expenses

For the six-month period ended June 30, 2026, our operating expenses were ₱4,219.9 million, an increase of 4.8% compared to ₱4,027.5 million in the same period last year. Despite the Group's continued implementation of cost reduction and efficiency measures, expenses rose due to higher costs for contracted services, repairs, utilities and personnel costs. Personnel costs and contracted services increased as a result of the opening of new sites and due to government mandated minimum wage increases.

Interest and other income

For the six-month period ended June 30, 2026, our interest and other income was ₱200.6 million, an increase of 24.1% compared to ₱161.7 million in the same period last year. The increase was primarily attributable to higher gains on lease modifications recognized during the period, arising from the reduction of leased space in one store.

Finance costs

For the six-month period ended June 30, 2026, finance costs were ₱258.0 million, an increase of 4.3% compared to ₱247.4 million for the same period last year. The increase is primarily due to the increase in interest expense related to the Group's bank loans.

Provision for income tax

For the six-month period ended June 30, 2026, our provision for income tax was ₱69.7 million, representing a 57.0% increase from the ₱44.4 million for the same period in 2025. The higher provision for income tax was primarily attributable to the increase in income before tax.

Net income

As a result of the foregoing, for the six-month period ended June 30, 2026, our net income amounted to ₱212.2 million, representing a 45.0% increase from the net income of ₱146.3 million for the six-month period ended June 30, 2025.

Financial Position

As of June 30, 2026 and December 31, 2025, our net current assets, or the difference between total current assets and total current liabilities, were ₱3,443.0 million and ₱4,227.5 million respectively, representing a positive net working capital position.

Current Assets

Total current assets decreased by 11.9% to ₱9,844.1 million as of June 30, 2026 from ₱11,176.1 million as of December 31, 2025. The decline was primarily attributable to reductions in cash and cash equivalents, as well as decreases in receivables and other current assets.

As of June 30, 2026, short-term investments totaled ₱150.0 million, receivables totaled ₱983.1 million, merchandise inventories totaled ₱7,045.0 million and other current assets totaled ₱550.3 million. As of December 31, 2025, short-term investments totaled ₱150.0 million, receivables ₱1,397.6 million, merchandise inventories ₱6,575.3 million and other current assets ₱568.0 million.

As of June 30, 2026, cash and cash equivalents amounted to ₱1,115.7 million, a decrease of 55.1% from ₱2,485.1 million as of December 31, 2025. Significant portion of the decrease is due to the payments of loans payable amounting to ₱952.4 million, lease liabilities of ₱295.3 million and dividends of ₱194.1 million. There were also acquisitions of property and equipment amounting to ₱745.9 million, increase in merchandise inventories of ₱469.7 million, decrease in trade and other payables of ₱455.8 million, partially offset by decreases in receivables of ₱412.5 million and other current assets of ₱41.8 million, among others.

Noncurrent Assets

Total noncurrent assets consist of property and equipment, right-of-use assets, deferred tax assets—net and other noncurrent assets. Total noncurrent assets increased by 5.3% to ₱14,657.5 million as of June 30, 2026 from ₱13,923.1 million as of December 31, 2025. The increase is primarily driven by the increases in property and equipment of ₱420.6 million and right-of-use assets of ₱303.5 million. Deferred tax assets—net also increased by ₱26.7 million while other noncurrent assets decreased by ₱16.5 million.

Current Liabilities

Total current liabilities decreased by 7.9% to ₱6,401.1 million as of June 30, 2026 from ₱6,948.6 million as of December 31, 2025. As of June 30, 2026 and December 31, 2025, trade and other payables totaled ₱4,944.6 million and ₱5,402.4 million, respectively, which consisted primarily of trade payables to our suppliers for purchases of inventory. Short term loans and long term loans – current portion totaled ₱1,076.7 million and ₱1,189.2 million as of June 30, 2026 and December 31, 2025, respectively.

Noncurrent liabilities

Total noncurrent liabilities decreased by 0.8% to ₱8,059.4 million as of June 30, 2026 from ₱8,125.7 million as of December 31, 2025. The decrease is due to payments of long-term loans of ₱238.4 million, retirement benefit obligation of ₱38.5 million, and offset by increases in the noncurrent portion of lease liabilities and other noncurrent liabilities of ₱199.4 million and ₱11.4 million, respectively.

Cash Flows

The following table sets out information from our statements of cash flows for the periods indicated.

	For the six-month periods ended June 30,	
	2026	2025
	(₱ million)	
Net cash flows generated from operating activities	339.7	275.9
Net cash flows used in investing activities	(776.7)	(697.3)
Net cash flows used in financing activities	(933.0)	(770.6)
Net decrease in cash	<u>(1,370.0)</u>	<u>(1,192.0)</u>

Net cash flows generated from operating activities

Net cash flows generated from operating activities for the six-month period ended June 30, 2026 was ₱339.7 million, which comprised of operating income before working capital changes of ₱1,005.5 million, adjusted for changes in working capital, interest received, income tax paid and retirement benefits paid. The changes in working capital were attributable to the increase in merchandise inventories of ₱469.7 million, decrease in trade and other payable of ₱455.8 million, decrease in contract liabilities of ₱20.3 million, offset by decreases in receivables and other current assets of ₱412.5 million and ₱41.8 million, respectively, as well as increase in other current liabilities of ₱11.4 million.

Net cash flows generated from operating activities for the six-month period ended June 30, 2025 was ₱275.9 million, which comprised of operating income before working capital changes of ₱1,054.5 million, adjusted for changes in working capital, interest received, income tax paid and retirement benefits paid. The changes in working capital were mainly attributable to the decrease in trade and other payable of ₱965.2 million, increase in other current assets of ₱58.9 million, offset by the decrease in receivables of ₱385.5 million

Net cash flows used in investing activities

For the six-month period ended June 30, 2026, net cash flows used in investing activities was ₱776.7 million, which is significantly from the acquisitions of property and equipment for the construction and fit outs of new stores, as well as for the improvements of existing stores totaling ₱745.9 million and increase in other noncurrent assets of ₱33.9 million.

For the six-month period ended June 30, 2025, net cash flows used in investing activities was ₱697.3 million, which is significantly from the acquisitions of property and equipment for the construction and fit outs of new stores and for the improvements of existing stores totaling ₱695.4 million, increase in other noncurrent assets of ₱141.8 million, offset by the decrease in short-term investments of ₱139.9 million.

Net cash flows used in financing activities

For the six-month period ended June 30, 2026, net cash flows used in financing activities amounted to ₱933.0 million. This was primarily driven by payments of loans payable amounting to ₱952.4 million, as well as payments of lease liabilities of ₱295.3 million, dividends of ₱194.1 million and interest of ₱89.2 million, offset by proceeds from loan availment of ₱600.0 million.

For the six-month period ended June 30, 2025, net cash flows used in financing activities was ₱770.6 million, as a result of the payments of loans, lease liabilities, dividends and interest of ₱436.8 million, ₱412.3 million, ₱194.5 million and ₱76.1 million, respectively, offset by proceeds from loan availment of ₱350.0 million.

Indebtedness

The Group has an outstanding loans payable of ₱3,354.9 million and ₱3,705.9 million as of June 30, 2026 and December 31, 2025, respectively.

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

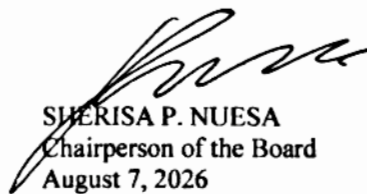
SIGNATURES

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

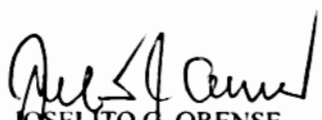
METRO RETAIL STORES GROUP, INC AND SUBSIDIARY

Issuer.....

By:



SHERISA P. NUESA
Chairperson of the Board
August 7, 2026



JOSELITO G. ORENSE
President and Chief Operating Officer
August 7, 2026



LUCILLE S. MALAZARTE
Treasurer and Chief Financial Officer
August 7, 2026