

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-DIS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement  
 Definitive Information Statement

2. Name of Registrant as specified in its charter: **MERRYMART CONSUMER CORP.**

3. Country of Incorporation: **PHILIPPINES**

4. SEC Identification Number: **CS200930125**

5. BIR Tax Identification Code: **281-768-124-000**

6. Address of the principal office: **MerryMart Headquarters, 9<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila**

7. Registrant's telephone number, including area code: **(02) 87431111**

8. Date, time and place of the meeting of security holders: **July 7, 2026**  
**5:30 pm; by Remote Communication Via Zoom. The Link will be provided at least three (3) days prior to the meeting.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **June 16, 2026**

10. In case of proxy solicitation:

i. Name of Person filing the statement/solicitor: **N/A**

ii. Address and telephone No.: **N/A**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

<u>Title of Each class</u>	<u>Number of Shares of Stock Outstanding or Amount of Debt Outstanding</u>
Common	7,594,936,709

12. Are any or all of registrant's securities listed in a Stock Exchange? Yes [] No []

The 7,594,936,709 Common Shares are listed with the Philippine Stock Exchange ("PSE").



## NOTICE OF SPECIAL STOCKHOLDERS' MEETING

July 7, 2026; 5:30 PM

MerryMart Headquarters, Pasay City  
By Remote Communication Via Zoom.

To All Stockholders:

Kindly take notice that the Special Stockholders' Meeting of **MerryMart Consumer Corp.** (the "**Company**") for the year 2026 will be held at Pasay City on July 7, 2026, 5:30 PM through remote communication via Zoom. The link will be provided at least three (3) days prior to the meeting. Registration for the said meeting will be from 9:00 AM June 16, 2026 to 6:00 PM of June 24, 2026.

The Chairman or, in his absence, the president chosen by the stockholders will preside the 2026 Special Stockholders Meeting.

The agenda of the meeting is set forth below:

- 1) Call to Order;
- 2) Certification by the Corporate Secretary of the Presence of Quorum;
- 3) Approval of the Voluntary Delisting of MerryMart Consumer Corp.
- 4) Other Matters; and
- 5) Adjournment

The Board of Directors fixed the end of trading hours of the Philippine Stock Exchange ("PSE") on **June 16, 2026** as the (the "**Record Date**") for the determination of the common stockholders who are entitled to notice and to vote at the meeting and any adjournment thereof.

To participate in the annual meeting, the stockholders must register 9:00 AM June 16, 2026 to 6:00 PM of June 24, 2026. The procedure for participation in the annual meeting via remote communication and voting in absentia are contained in the Annex "A" to the Information Statement and may be viewed in the Company's website [www.merrymart.com.ph/companydisclosures](http://www.merrymart.com.ph/companydisclosures) under SSM2026. The stockholders may be required to provide personal information which shall be used only for verification and validation purposes. The stockholder who has registered successfully shall receive an email confirmation and a ballot.

In the event that you cannot personally join the meeting, you are hereby requested to accomplish the proxy form, which need not be notarized, and email the same at [corporatesecretary@merrymart.com.ph](mailto:corporatesecretary@merrymart.com.ph) or return the same to the office of the Corporate Secretary at MerryMart Headquarters, 9<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila no later than 6:00 P.M. on June 24, 2026. The requirements and form can be downloaded at [www.merrymart.com.ph/companydisclosures](http://www.merrymart.com.ph/companydisclosures) under SSM2026.

Thank you very much.

Pasay City, June 1, 2026

BY THE ORDER OF THE BOARD OF DIRECTORS

**(sgd) Ferdinand J. Sia**  
*President*

**ANNEX TO NOTICE OF SPECIAL STOCKHOLDERS' MEETING OF  
MERRYMART CONSUMER CORP.**

**AGENDA  
JULY 7, 2026 SPECIAL STOCKHOLDERS' MEETING**

**1) Call to Order**

The Chairman or, in his absence, a president to be chosen by the stockholders will formally open the 2026 Special Stockholders' Meeting (the "**Meeting**"). The directors and officers of the Company will be introduced.

**2) Certification by the Corporate Secretary of the Presence of Quorum**

The Corporate Secretary will certify that the copies of the Notice and the Information Statement were duly sent to stockholders as of the Record Date.

**3) Approval of the Voluntary Delisting of MerryMart Consumer Corp.**

**4) Other Matters**

Matters relevant to and appropriate for the Special Stockholders' Meeting may be taken up.

**5) Adjournment**

## **PROFILES OF THE BOARD OF DIRECTORS**

**Edgar J. Sia II**, age 49, is the Chairman and Chief Executive Officer of MM from 2019 to present and has been a director of MM since incorporation to present. He is the Founder of Mang Inasal and Co-Founder, Chairman and Chief Executive Officer of DD from 2012 to present and Chairman and Chief Executive Officer of III from 2007 to present. Mr. Sia took up Bachelors of Science in Architecture at the University of San Agustin and the same university in 2011 conferred him an Honorary Doctorate Degree - Major in Management.

**Ferdinand J. Sia**, age 47, is the President and Chief Operating Officer of MM from 2019 to present and has been a director of MM since incorporation to present. He is currently the President and Chief Operating Officer of DD since 2012 to present and III since 2007 to present. He previously served as Director and President of Mang Inasal from 2007 to 2012. He graduated from the Arellano University School of Law.

**Marriana H. Yulo-Luccini**, age 42, is the Chief Financial Officer and Chief Investment Officer of MM from 2020 to present and has been a director of MM from 2020 to present. She also serves as Chief Investment Officer of DD from 2015 to present. She was previously Chief Financial Officer of Alphaland Corporation and Group Chief Financial Officer of PhilWeb Corporation, ISM Communications Corporation, and Atok Big-Wedge Co. Inc. from 2011 to 2014. She graduated in Business Administration - Major in Management at Palawan State University and has a Masters in Business Administration Degree from the University of St. La Salle.

**Gary P. Cheng**, age 61, is an Independent Director of MM from 2020 to present. He is currently the Managing Director and Co-Founder of Fortman Cline Capital Markets Limited from 2007 to present. Dr. Cheng also serves as Independent Director of DD from 2013 to present. Dr. Cheng served as the former President/CEO of Amalgamated Investment Bancorporation from 2003 to 2018 and former Vice President of Investment Banking at J.P. Morgan from 1993 to 2002. Dr. Cheng obtained his doctorate in Philosophy from the University of Leeds, England.

**Atty. Victoria R. Tamayao**, age 66, is an Independent Director of MM from 2020 to present. She is the Senior and Managing Partner of Tamayao & Affiliates, Attorneys-at-Law from 2006 to present and is the Chairman and President of Glory Facilities and Development Inc. from 2019 to present. She obtained her Bachelor of Laws and Bachelors of Science in Business Economics degrees from the University of the Philippines, Diliman.

**Atty. Jacqueline Ann Marie O. Gomez**, age 42, is the Corporate Secretary and director of MM from 2020 to present. She joined III in 2014 to present and was previously an associate at Falgui Law Office from 2009 to 2013. She graduated cum laude from the University of the Philippines - Diliman with an Economics degree and obtained Juris Doctor Degree from the same university in 2008. Atty Gomez was admitted to the Philippine Bar in 2009.

**Jose Roelph E. Desales**, age 46, is the Assistant Corporate Secretary and director of MM from 2020 to present. He joined III in 2014 to present and was previously with VXI Global Holdings B.V. (Philippines) as Associate Director for Finance from 2010 to 2012. He graduated Bachelor of Science in Accountancy at the University of the Philippines in the Visayas and is a Certified Public Accountant.

## ADVISER TO THE BOARD

**Ret. Chief Justice Artemio V. Panganiban**, age 88, Filipino, is a retired Chief Justice of the Supreme Court of the Republic of the Philippines. He sits as an independent director of several listed companies including Meralco, Petron Corporation, First Philippine Holdings Corp., Philippine Long Distance Telephone Company (PLDT), Metro Pacific Investment Corp., and GMA Network, Inc., among others.

**PART I**  
**INFORMATION REQUIRED IN THE INFORMATION STATEMENT**  
**Company/Registrant: MerryMart Consumer Corp.**

**A. GENERAL INFORMATION**

**Item 1. Date, Time, and Place of Meeting of the Stockholders**

Date:	<b>July 7, 2026</b>
Time:	<b>5:30 PM</b>
Place	<b>MerryMart Headquarters, 9<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila 1302. Through remote communicaton via Zoom. The link will be provided at least three (3) days prior to the meeting.</b>
Mailing Address:	<b>MerryMart Headquarters, 9<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila 1302</b>

Copies of this Information Statement will be sent on or around June 16, 2026 to all stockholders of as of June 16, 2026, A copy of the Information Statement can be downloaded from the Company's website at <http://www.merrymart.com.ph/home>.

Stockholders who cannot join the Meeting may accomplish the attached Proxy Form and submit the same, through email at [corporatesecretary@merrymart.com.ph](mailto:corporatesecretary@merrymart.com.ph), on or before 6:00PM of June 24, 2026 Voting procedures are contained in Annex A to this Information Statement. Cumulative voting is allowed. In that regard, kindly refer to Item 4 for an explanation on cumulative voting.

**Item 2. Dissenters' Right of Appraisal**

There is no corporate matter or action to be taken during the Meeting which will entitle a stockholder to a Right of Appraisal as provided under Section 80, Title X of the Revised Corporation Code of the Philippines ("Revised Corporation Code").

For the information of the stockholders, any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided for by the Revised Corporation Code:

- 1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of the corporate existence;

- 2) In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets;
- 3) In case of merger or consolidation; and
- 4) In case of investment of corporate fund for any purpose other than the primary purpose of the Company.

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the Company for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Company shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and the award shall be paid by the Company within thirty (30) days after such award is made: provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the Company.

**Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

None of the officers or directors or any of their associates has any substantial interest, direct or indirect, by security holdings or otherwise, in any matters to be acted upon in the Meeting, other than election to office.

No incumbent director has informed the Company in writing of an intention to oppose any action to be taken in the Meeting.

**Item 4. Voting Securities and Principal Holders Thereof**

<i>As of May 31, 2026</i>			
<i>Issued Shares</i>	<b>Shares Allowed To Foreigners (100% equity)</b>	<b>Shares Owned By Foreigners (.51%)</b>	<b>Shares Owned By Filipinos (99.49%)</b>
<i>7,594,936,709</i>	7,594,936,709	38,569,181	7,556,367,528

As of May 31, 2026 there were 7,594,936,709 outstanding common shares of stock of the Company which are entitled to vote. Each common share of stock of the Company is entitled to one (1) vote.

Only holders of the Company's common stock as of the close of business on June 16, 2026 are entitled to notice and to vote at the Meeting to be held on July 7, 2026.

## **RECORD DATE**

All common stockholders of record as of June 16, 2026 are entitled to notice of and to vote at the Meeting.

## **MANNER OF VOTING**

The shareholder holding a Voting Share may vote in absentia or by proxy. If he chooses to vote through proxy, the Company's By-Laws requires the submission of a Proxy Form to the Corporate Secretary no later than 6:00 P.M. on June 24, 2026 through email at [corporatesecretary@merrymart.com.ph](mailto:corporatesecretary@merrymart.com.ph)

Validation of proxies, chaired by the Corporate Secretary or by the Assistant Corporate Secretary, and attended by the Company's stock and transfer agent and the external auditors, shall be convened on June 27, 2026 at the MerryMart Headquarters, 9<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be resolved by the Corporate Secretary or Assistant Corporate Secretary at that forum. The Corporate Secretary or Assistant Corporate Secretary's decision shall be final and binding on the stockholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the Meeting.

Refer to Annex "A" of this Information Statement for a detailed procedures and requirements for participation and voting in the Meeting.

## **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following are the owners of the Company's common stock in excess of 5% of the total outstanding shares:

### **Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Company's voting securities as of May 31, 2026**

<i>Title of Class</i>	<i>Name, Address of Record Owner and Relationship with the Issuer</i>	<i>Name of Beneficial Owner and Relationship with the Issuer</i>	<i>Citizenship</i>	<i>No. of Shares</i>	<i>Percentage</i>
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<b>Common Share</b>	<b>Injap Investments Inc.</b> Corner Fuentes and Delgado Streets, Iloilo City	<b>Injap Investments Inc.</b>	<b>Filipino</b>	<b>5,999,989,995</b>	<b>79.00%</b>
	<b>Stockholder</b>	<b>Stockholder</b>			

As of May 31, 2026, foreign shareholders owned 0.51% of the Common Shares of the Company.

The natural persons who will be the duly authorized representative to vote the common shares of Injap Investments Inc., respectively, will be decided and voted upon by their respective Board of Directors in a separate meeting held for that purpose.

There are no person/s holding more than 5% of a class under a voting trust or any similar agreements as of balance sheet date.

#### SECURITY OWNERSHIP OF MANAGEMENT (As of May 31, 2026)

##### Security Ownership of Directors and Officers as of the date of this report.

The following table sets forth security ownership of the Company's Directors, and Officers, as of May 31, 2026.

Title of Class	Name of Record Owner	Position	Citizenship	Amount and Nature of Beneficial Ownership		Percentage of Ownership
				Shares		
				Direct	Indirect	
Common	Edgar J. Sia II	Director	Filipino	838,000	3,299,994,497 <sup>1</sup>	43.46%
Common	Ferdinand J. Sia	Director	Filipino	276,000	1,799,996,998 <sup>2</sup>	23.70%
Common	Marriana H. Yulo-Luccini	Director	Filipino	1	10,500,000	0.14%

<sup>1</sup> Through Injap Investments Inc.

<sup>2</sup> Through Injap Investments Inc.

Common	Atty. Jacqueline Ann Marie O. Gomez	Director & Corporate Secretary	Filipino	1	2,000,000	0.03%
Common	Jose Roelph E. Desales	Director & Asst. Corporate Secretary	Filipino	1	725,000	0.01%
Common	Atty. Victoria R. Tamayao	Independent Director	Filipino	1		0.00%
Common	Gary P. Cheng	Independent Director	Filipino	1	500,000	0.01%
Common	Shella A. Sia	Treasurer & EVP	Filipino	0	0	0.00%
Common	Rizza Marie Joy S. Javelona	Comptroller	Filipino	2,000	899,998,499 <sup>3</sup>	11.85%
Common	Ma. Mercedes L. Taleon	Chief Development Officer	Filipino	0	150,000	0.01%
Common	Maribel N. Sibayan	COO	Filipino	0	600,000	0.01%

The aggregate number of common shares for all directors and officers is 6,015,580,999.

## **CHANGES IN CONTROL**

There were no material changes in the control of the Company since the beginning of the Company's last calendar year. There are no arrangements which may result in a change of control of the Company.

### **Item 5. Directors and Executive Officers**

No action or matter with respect to the election of directors or executive officers of the Company will take place.

### **Item 6. Compensation of Directors and Executive Officers**

No action or matter with respect to the election of directors or executive officers of the Company will take place.

### **Item 7. Independent Public Accountants**

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<sup>3</sup> Through Injap Investments Inc

No action or matter with respect to the independent public accountants of the Company will take place.

**Item 8. Compensation Plans**

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

**A. ISSUANCE AND EXCHANGE OF SECURITIES**

**Item 9. Authorization or Issuance of Securities Other than for Exchange**

Not applicable.

**Item 10. Modification or Exchange of Securities**

Not applicable.

**Item 11. Financial and Other Information**

Not applicable.

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

Not applicable.

**Item 13. Acquisition or Disposition of Property**

Not applicable.

**Item 14. Restatement of Accounts**

The Company is not taking any action, which involves the restatement of any of its assets, capital or surplus account.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

On May 14, 2026, the Company received a Tender Offer Report (SEC Form 19-1) from DoubleDragon Corporation. The Company, through its Stock Transfer Agent, disseminated this report to its shareholders.

If the shareholder vote requirement to approve the Voluntary Delisting is obtained and all other requirements for voluntary delisting are accomplished, the Company intends to request the PSE to consider the current Tender Offer being conducted by DoubleDragon Corporation as the tender offer required by the Delisting Rules.

**Item 16. Matters Not Required to be Submitted**

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders

**Item 17. Amendment of Charter, By-laws or Other Documents**

There is no proposal nor approved resolution for the amendment of Charter, By-Laws or other Documents.

### **Item 18. Other Proposed Action**

Other than those presented in the Items above, there are no other proposed actions to be presented at the Meeting for the stockholders' approval.

### **Item 19. Voting Procedures**

Stockholders as of the June 16 2026 may participate and vote in absentia. Registration of the stockholders and proxies attending the Meeting will be from 9:00 am June 16, 2026 to 6:00PM June 24, 2026. See **Annex A** of this Information Statement for the Procedures and Requirements for Voting and Participation in the 2026 Special Stockholder's Meeting.

Approval of the resolutions or matters requiring the stockholder action as set forth in the Agenda and this Information Statement would require the affirmative vote of the stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the listed company.

Further, the number of votes cast against the delisting proposal should not be more than ten percent (10%) of the total outstanding and listed shares of the listed company.

Stockholders shall be entitled to vote either in absentia or by proxy. The procedure for voting, validating and tabulating the Proxies and ballots are set forth under Item 4 of this Information Statement.

The Company's Stock and Transfer Agent, PNB - Trust Banking Group and Stock Transfer Operations Department, is tasked and authorized to count votes on any matter properly brought to the vote of the stockholders, and they have also been appointed to validate the ballots when necessary.

**MerryMart Consumer Corp.**  
MerryMart Headquarters, 9<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza,  
DD Meridian Park, Corner Macapagal Avenue and EDSA Extension,  
Bay Area, Pasay City, Metro Manila 1302

Attention: Atty. Jacqueline Ann Marie Gomez

**PART II**

<i>PLEASE FILL-UP AND SIGN THIS PROXY FORM AND IMMEDIATELY RETURN TO THE CORPORATE SECRETARY. A RETURN ENVELOPE IS PROVIDED FOR YOUR CONVENIENCE.</i>
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**PROXY FORM**

**STOCKHOLDER'S NAME:** \_\_\_\_\_ **NO. OF SHARES:** \_\_\_\_\_

The undersigned stockholder of **MerryMart Consumer Corp.** (the "**Company**") hereby appoints **Mr. Ferdinand J. Sia**, or in his absence, the Chairman of the Meeting, as attorney and proxy, with full powers of substitution, Special Stockholders' Meeting of the Company to be held by remote communication via Zoom on July 7, 2026 at 5:30 PM, and at any of the adjournments thereof for the purpose of acting on the following matters:

<b>(a) Approval of the Voluntary Delisting of MerryMart Consumer Corp.</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> ABSTAIN
<b>At their discretion, the proxy named above is authorized to vote upon such matters as may properly come before the Meeting.</b>
_____ <b>(SIGNATURE OVER PRINTED NAME OF STOCKHOLDER/ AUTHORIZED REPRESENTATIVE AND DATE)</b>

THIS PROXY FORM SHOULD BE SENT BY EMAIL TO [corporatesecretary@merrymart.com.ph](mailto:corporatesecretary@merrymart.com.ph) ON OR BEFORE 6:00 PM OF JUNE 24, 2026.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING, INCLUDING MATTERS WHICH THE SOLICITOR(S) DID NOT COME TO KNOW WITHIN A REASONABLE TIME PRIOR TO THE PRESENTMENT OF THIS SOLICITATION IN THE MEETING, IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A CORPORATE SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION

DESIGNATING A CORPORATE OFFICER TO EXECUTE THE PROXY. PROXIES EXECUTED BY BROKERS MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER HAS OBTAINED THE WRITTEN CONSENT OF THE ACCOUNT HOLDER.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSES HIS INTENTION TO VOTE IN PERSON. THE PROXY SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE HEREOF UNLESS OTHERWISE INDICATED IN THE BOX HEREIN PROVIDED.

NO DIRECTOR OR EXECUTIVE OFFICER, NOMINEE FOR ELECTION AS DIRECTOR, OR ASSOCIATE OF SUCH DIRECTOR, EXECUTIVE OFFICER OR NOMINEE, OF THE COMPANY AT ANY TIME SINCE THE BEGINNING OF THE LAST FISCAL YEAR, HAS ANY SUBSTANTIAL INTEREST, DIRECT OR INDIRECT, BY SECURITY HOLDINGS OR OTHERWISE IN ANY OF THE MATTERS TO BE ACTED UPON IN THE MEETING, OTHER THAN ELECTION TO OFFICE.

**WE ARE NOT SOLICITING THIS PROXY. NO SHAREHOLDER IS REQUIRED TO SUBMIT THIS PROXY.**

**PART III  
SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed on June 1, 2026

*Registrant*  
**MERRYMART CONSUMER CORP.**  
By:

  
\_\_\_\_\_  
**Jacqueline Ann Marie Gomez**  
*Corporate Secretary*

## **ANNEX A**

# **PROCEDURES AND REQUIREMENTS FOR PARTICIPATION AND VOTING IN THE 2026 SPECIAL STOCKHOLDERS' MEETING**

# MERRYMART

## PROCEDURES AND REQUIREMENTS FOR PARTICIPATION AND VOTING IN THE 2026 SPECIAL STOCKHOLDER'S MEETING

To ensure the safety of our stockholders during these times of pandemic crisis and in compliance with the guidelines of the government on social distancing and prohibition on mass gatherings, MERRYMART CONSUMER CORP. (the "Corporation") will conduct the 2026 Annual Shareholders' Meeting ("ASM") scheduled on July 7, 2026, 5:30 PM by remote communication and will conduct voting in absentia or by proxy.

Only stockholders of record as of June 16, 2026 are entitled to participate and vote in the 2026 SSM.

The Corporation has adopted the following procedures and requirements to enable its stockholders to register, participate and vote in the 2026 SSM.

### I. ONLINE REGISTRATION STEPS AND REQUIREMENTS

A. Stockholders may register from 9:00 AM June 16, 2026 to 6:00 PM of June 24, 2026 to signify his/her/its intention to participate in the 2026 SSM by remote communication. The registration steps and requirements are available under company disclosures in the Company's website <http://www.merrymart.com.ph/SSM 2026>

B. To register, stockholder shall submit the following requirements to the Office of the Corporate Secretary via email at [corporatesecretary@merrymart.com.ph](mailto:corporatesecretary@merrymart.com.ph).

#### B.1 For Individual Stockholders -

- (i) Scanned copy of stock certificate issued in the name of the individual stockholder or
- (ii) Valid email address and active contact number; and
- (iii) Scanned copy of valid government-issued identification card.

#### B.2 For Stockholders with Joint Accounts -

- (i) Authorization letter signed by all stockholders indicating the name of the person authorized to cast the votes;
- (ii) Scanned copy of the stock certificate issued in the name of the joint stockholders;

- (iii) Valid email address and active contact number of the authorized stockholder; and
- (iv) Scanned copy of valid government-issued identification card of the authorized stockholder.

B.3 For stockholders under PCD Participant/Brokers Account or holding 'Scripless Share'

- (i) Stockholders should coordinate with their broker and request for the full account name and reference number or account number they provided the Company;
- (ii) Broker's Certification on the stockholder's number of shareholdings;
- (iii) Valid email address and active contact number of the stockholder; and
- (iv) Scanned copy of valid government-issued identification card of stockholder.

B.4 For Corporate Stockholders -

- (i) Secretary's Certificate attesting to the authority of the representative to vote the shares on behalf of the corporate stockholders.
- (ii) Scanned copy of stock certificate issued in the name of the corporate stockholder;
- (iii) Valid email address and active contact number of authorized representative; and
- (iv) Valid government-issued identification card of authorized representative.

## **II. ELECTRONIC VOTING IN ABSENTIA**

- A. Duly registered stockholders have the option to vote for the matters contained in the agenda for the 2026 SSM through electronic voting in absentia. The deadline for registration is 6:00 PM of June 24, 2026. Beyond this date, stockholders may no longer avail of the option to vote in absentia.
- B. After verification, the Company shall send a ballot to the registered stockholder through his/her/its email address which shall contain all the agenda items for approval as indicated in the Notice of Meeting and the registered stockholder may vote as follows:
  - (1) Once voting on the agenda items is finished, the stockholder can proceed to submit the accomplished ballot via email to [corporatesecretary@merrymart.com.ph](mailto:corporatesecretary@merrymart.com.ph).
  - (2) After the ballot has been submitted, the stockholder may no longer change his/her vote. The stockholder will receive a confirmation email that his/her vote has been recorded.

- C. The Office of the Corporate Secretary shall tabulate all valid and confirmed votes cast through electronic voting; together with the votes through proxies, subject to validation by representatives of the Company's external auditors.
- D. Registered stockholders shall have until 6:00 PM of June 24, 2026 to cast their votes in absentia.
- E. Stockholders will not be allowed to cast votes during the proceedings of the 2026 SSM

### **III. VOTING BY PROXY**

- A. For individual stockholders holding certificated shares of the Company - Download the proxy form that is available at <http://www.merrymart.com.ph/SSM2026>
- B. For stockholders holding 'scripless' shares or shares held under PCD Participant/Broker - Download the proxy form that is available at <http://www.merrymart.com.ph/SSM2026> . Stockholders are advised to coordinate with their brokers first for the execution of this type of proxy.
- C. For corporate stockholders - Download the proxy form that is available at <http://www.merrymart.com.ph/SSM2026>. A copy of the duly signed and notarized Secretary's Certificate must be submitted together with the proxy form.

#### **D. GENERAL INSTRUCTION ON VOTING BY PROXY:**

- (1) Download and fill up the appropriate proxy form. Follow the instructions on how to cumulate or allocate votes in the election of directors.
- (2) Send the scanned copy of the duly executed proxy form via email to [corporatesecretary@merrymart.com.ph](mailto:corporatesecretary@merrymart.com.ph) or submit the original proxy form to the Office of the Corporate Secretary c/o Atty. Jacqueline Ann Marie Gomez. at MerryMart Headquarters 9<sup>th</sup> Floor Tower 1 DoubleDragon Plaza, Macapagal corner EDSA Ext Avenues Pasay City 1302.
- (3) Deadline for the submission of proxies is at 6:00 PM of June 24, 2026
- (4) Validation of proxies will be on June 26, 2026.
- (5) If a stockholder avails the option to cast his/her vote in absentia and also issues proxy votes with differing instructions, the duly accomplished ballots sent through email shall replace the proxy votes issued by the stockholder.

### **IV. PARTICIPATION BY REMOTE COMMUNICATION**

- A. Only duly registered stockholders will be included in determining the existence of a quorum.

- B. Duly registered stockholder may send their question and/or comments prior to the ASM through email at [ssm2026@merrymart.com.ph](mailto:ssm2026@merrymart.com.ph). The deadline for submitting questions shall be at 6:00 PM of June 24, 2026.
- C. The proceedings during the 2026 SSM will be recorded.

For any clarifications, please contact the Office of the Corporate Secretary via email at [corporatesecretary@merrymart.com.ph](mailto:corporatesecretary@merrymart.com.ph).

# **ANNEX B**

## **FAIRNESS OPINION AND VALUATION REPORT**

# **ANNEX C**

## **CERTIFICATION OF THE CORPORATE SECRETARY**

REPUBLIC OF THE PHILIPPINES )  
City of \_\_\_\_\_ ) S.S.

### SECRETARY'S CERTIFICATE

I, Atty. Jacqueline Ann Marie O. Gomez, of legal age, Filipino citizen, being the duly elected and qualified Corporate Secretary of MERRYMART CONSUMER CORP. (the "Corporation"), a corporation duly organized and existing in accordance with Philippine laws, with office address at 9th Flr. Tower 1 DoubleDragon Plaza, DD Meridian Park, after having been duly sworn in accordance with the law, hereby certify that:

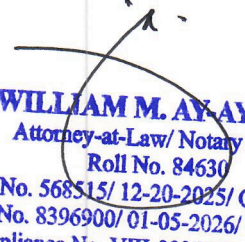
1. None of the directors or officers of the Company are connected with any government agencies or instrumentalities.
2. I have caused this Preliminary Information Statement and Definitive Information Statement to be prepared on behalf of the Corporation.
3. I have read and understood its contents which are true and correct based on my own personal knowledge and/or authentic records.
4. The Corporation will comply with the requirements set forth in the SEC notice to effect a complete and official submission of reports and/or documents through electronic mail.
5. I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee, and
6. The email account designated by the Corporation pursuant to SEC Memorandum Circular no. 28, S. 2020 shall be used by the Corporation.

IN WITNESS WHEREOF, I have hereunto affixed my signature this MAY 26 2026  
2026 at Quezon City

  
JACQUELINE ANN MARIE O. GOMEZ  
[Position]

SUBSCRIBED AND SWORN TO before me MAY 26 2026 at Quezon City affiant  
exhibited to me his/her \_\_\_\_\_.

Doc No. 116 ;  
Page No. 24 ;  
Book No. 5 ;  
Series of 2026.

  
**ATTY. WILLIAM M. AYAY, CPA, CDPO**  
Attorney-at-Law/ Notary Public  
Roll No. 84630  
IBP No. 568515/ 12-20-2025/ Quezon City  
PTR No. 8396900/ 01-05-2026/ Quezon City  
MCLE Compliance No. VIII-0027229 until April 14, 2028  
Admin Matters NP-197 2025-2026

# ANNEX D

## MANAGEMENT REPORT 2024

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## **PART I BUSINESS AND GENERAL INFORMATION**

### **ITEM 1. BUSINESS**

MerryMart Consumer Corp., formerly Injap Supermart Inc., is an emerging consumer focused retail company principally engaged in the operation of retail stores in the supermarket and, beginning January 30, 2020 household essentials category. The Issuer, through its subsidiary, MMGC, will pioneer the franchise business model covering supermarkets and household essentials stores in the Philippines.

The principal shareholder of MM is Injap Investments, Inc. (“III”), which is the investment holding company of the Sia family, primarily led by its major shareholder and Chairman, Edgar J. Sia II.

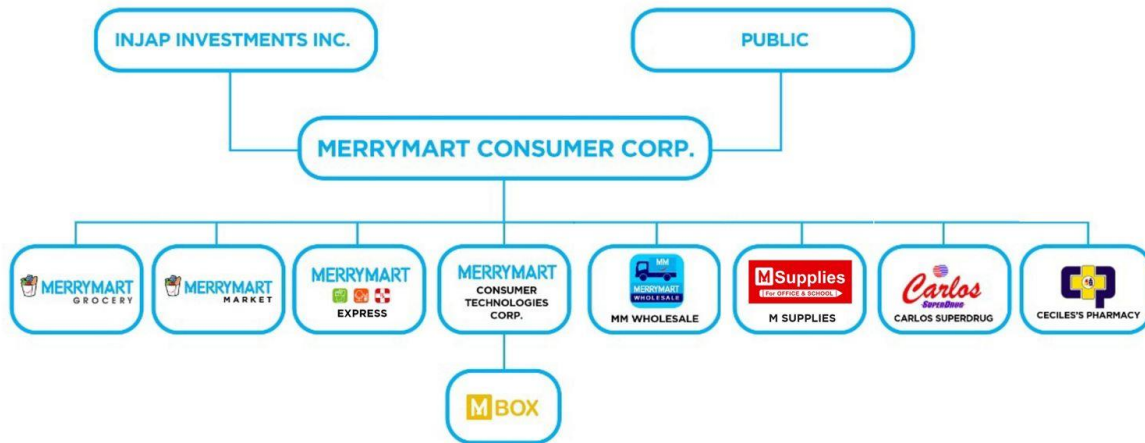
MM was incorporated in 2009. However, the Sia family has long been engaged in the supermarket business. MM opened its first two stores, Injap Supermart TATC and Injap Supermart Burgos Roxas City after its incorporation in 2009. Injap Supermarkets like MerryMart Groceries are full size supermarkets offering a wide variety of food and non-food products with up to 20,000 SKUs. Injap Food Shop is a food section that sells ready-to-eat food inside Injap Supermart.

On September 28, 2018, MM aims to capitalize on its extensive experience in the retail business with the incorporation of a wholly owned subsidiary MMGC, which MM would use to rollout three retail formats nationwide under a new brand, MerryMart.

MERRYMART has set its Vision 2030 with the goal of rolling out a total of 1,200 MERRYMART branches nationwide with an aim of reaching Php 120 Billion in systemwide sales revenue.

On June 15, 2020, the Company’s shares debuted on the Philippine Stock Exchange’s (“PSE”) Small, Medium, and Emerging Board (“SME Board”) under the stock symbol “MM” through an initial public offering of 21% of its outstanding common shares.

MM plans to develop the MerryMart brand through company-owned stores, as well as opening it for franchising to the public. MM will serve as a platform for the existing local and traditional supermarkets to convert and be part of a modern-branded retail chain network while retaining ownership of the store as a franchisee of MM. Being part of the MerryMart network will allow current traditional retailers to remain relevant for the coming decades and also enable them to bridge the ongoing shift from traditional retail to modern retail.



MMGC aims to cover all the grocery retail categories from small, medium, and large grocery retail formats and will have, in particular, three brick and mortar grocery retail formats and an online wholesale format:

1. MerryMart Grocery

MerryMart Grocery is a full size supermarket that offers a wide variety of food and non-food products, a broad selection of personal care products, as well as a pharmaceutical section. MerryMart Grocery caters to lower to middle-income consumers and offers competitive prices. MerryMart Grocery will be available for franchising via conversion of existing traditional supermarkets.

Grocery Format



## 2. MerryMart Market

MerryMart Market is a medium format specialized grocery that offers a larger selection of premium and imported grocery items and will feature a large fresh selection of fruits and vegetables, as well as fresh seafood products. MerryMart Market will also offer personal care and pharmaceutical products but will cater to the middle to high-income consumers in central business districts and other urbanized communities. MerryMart Market expansion will only be for company-owned stores due to its specialized nature and distinct target market.



## 3. MerryMart Express

MerryMart Express is a small format household essentials store with a unique three-in-one concept which combines a mini-grocery, personal care shop, and pharmacy in one store, effectively providing operational cost efficiencies. This household essentials store will cater to the general population of each community and neighborhood it serves. The MerryMart Express expansion will be primarily through a franchise platform.

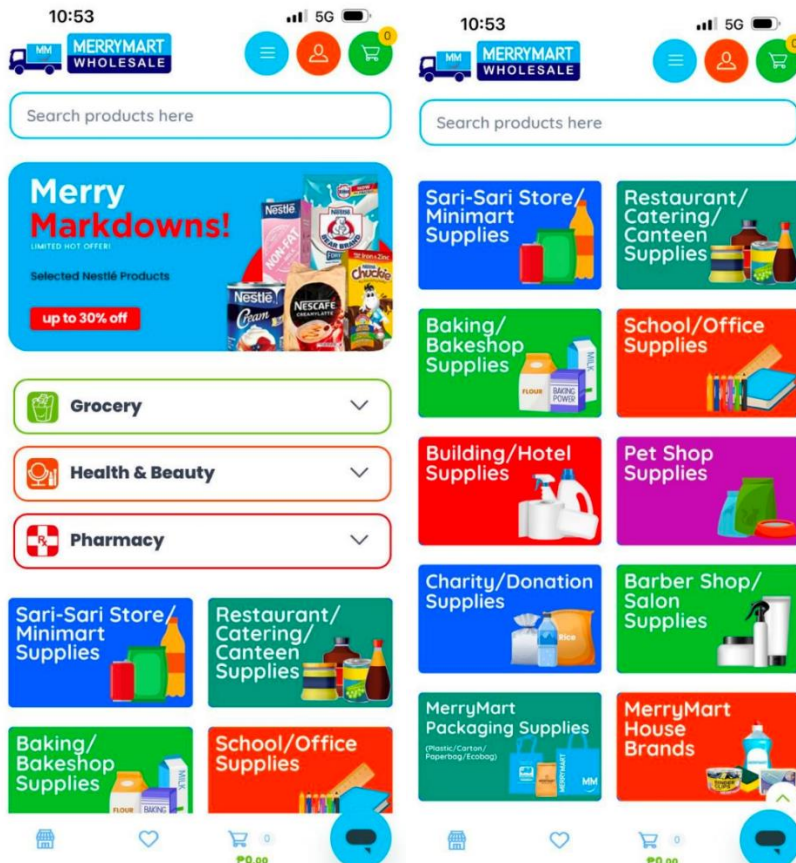


#### 4. MerryMart Wholesale

On October 10, 2021 MM Group soft launched its online Wholesale platform which is served from the MM Group's central distribution center in CentralHub-Tarlac. The online Wholesale platform features live inventory and next day delivery. The MerryMart Wholesale app is available on both iOS and Android.



Now with over 150,000+ registered users.



In 2023, MerryMart Wholesale started a project which aids the transformation of Sari-Sari Stores to become a Mini-Mart while purchasing their grocery inventory from the MM Wholesale App.



Venturing to widen reach, on November 8, 2021 the Group finalized the acquisition of 75.08% equity stake in Carlos Drugs-Lucena Inc. (“Carlos SuperDrug”), the biggest pharmacy chain in Quezon Province. Carlos SuperDrug brand was founded in 1946 in Lucena City by the husband & wife team of Diomedes & Generosa Carlos.

On November 8, 2021, the Company signed an agreement for the acquisition of 75.08% equity stake in Carlos Drugs-Lucena Inc. (“Carlos SuperDrug”). The Company will acquire 287,856 secondary shares representing 71.96% in Carlos SuperDrug for P289.53 million as soon as all conditions precedents are completed by the Selling Shareholders which include among others the approval of the SEC of the amendment of the Articles of Incorporation and By-Laws of the Corporation. The Company will also purchase an additional 50,000 primary shares for P50.29 million.

On January 6, 2022, the Securities and Exchange Commission (SEC) approved the amended provisions of articles of incorporation of Carlos Drugs-Lucena, Inc. allowing the Company to complete its acquisition of shares.

The acquisition gave the Company a 71.96% ownership and control on January 6, 2022. For the convenience purposes, the Company used December 31, 2021 as the cut-off date in determining the net assets of Carlos Drugs-Lucena. The purchase price allocation has been prepared on a preliminary basis as the fair values are being finalized. Preliminary net asset value of Carlos Drugs-Lucena is P108.17 million.

On March 09, 2022 MM signed the agreement with ZC Ramthel Corporation (Cecile's Pharmacy) to acquire 25% stake in the Mindanao based pharmacy chain.

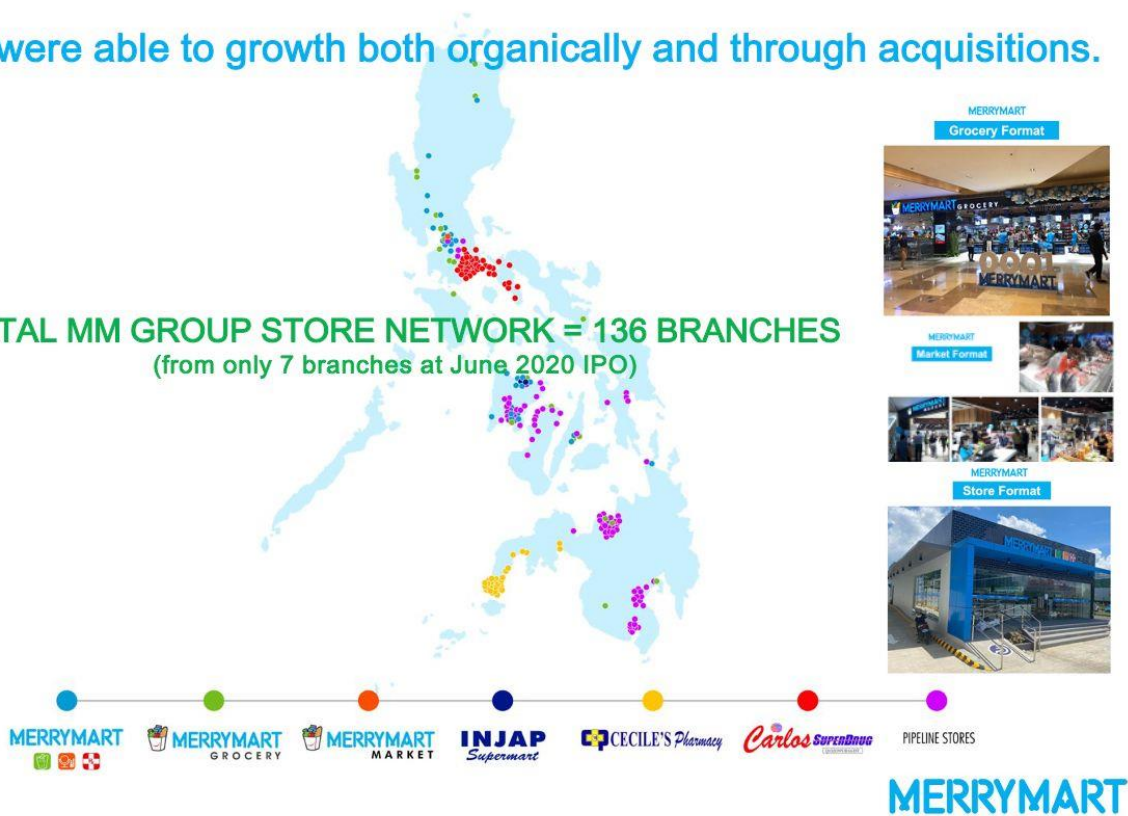
On December 12, 2023, SEC approved the increase in authorized capital stock of Ceciles Pharmacy. On the same date MM increased its ownership in Ceciles Pharmacy to 53.13%.

Cecile's Pharmacy is the biggest pharmacy chain in the city of Zamboanga in Mindanao Region, and the brand has been in operation for 59 years since 1964 with over 300 workforce.

*Map shows the distribution of the MM Group's operational branches as of December 31, 2024*

**We were able to growth both organically and through acquisitions.**

**TOTAL MM GROUP STORE NETWORK = 136 BRANCHES**  
(from only 7 branches at June 2020 IPO)



The MM Group places emphasis on providing consumers with a relevant and wide assortment of merchandise at competitive pricing whilst achieving excellent customer experience all the time.

On October 10, 2021, MerryMart soft launched its MM Wholesale Club program. The MM Wholesale Club is open for business or individual memberships and the membership is currently free of charge. Business membership will be suited for sari-sari stores, restaurants, carinderias, minimarts, hotels, offices, canteens, LGUs, hospitals, catering services, etc. While individual membership will be suited for any individual who

opts to buy supplies in bulk or by the case for household consumption, or for any of their wholesale requirements from time to time for special events.



**Always cheaper by the case!**



*MERRYMART WHOLESALE – MM Logistics Distribution Center in CentralHub-Tarlac*

The MM wholesale operations commenced and fully service its members in 2021, in time for the full completion of the new modern 11,000-sq.m. MM Logistics Distribution Center in CentralHub-Tarlac in North Luzon. Currently, MM's operating distribution center is located in South Luzon (Laguna).

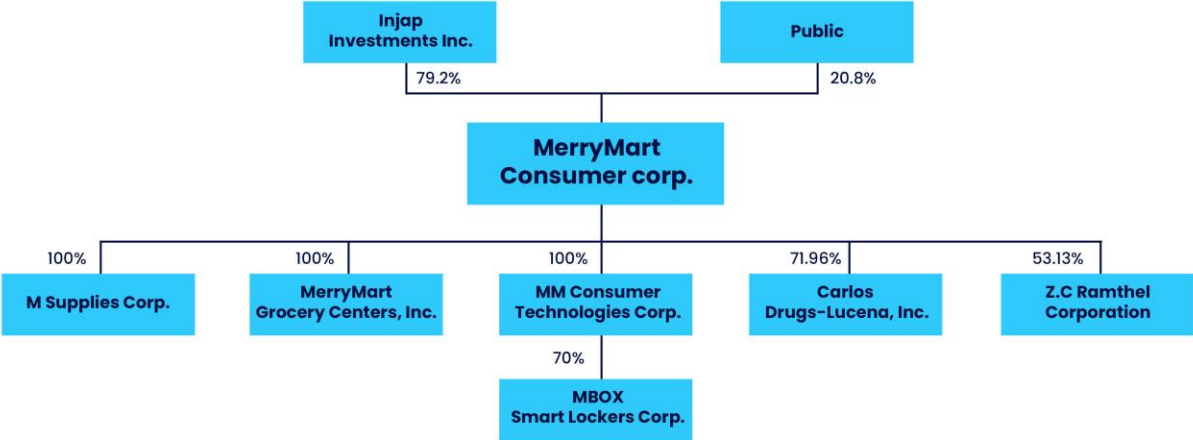
On October 7, 2021, MM Group's consumer technology arm started rolling out MBOX Smart Lockers, which are revolutionary system of self-service lockers similar to post office boxes that are accessible 24/7, where customers can collect and drop off packages at their convenience at minimal or no additional cost. As soon as a package arrives, the locker sends a pickup code via SMS/App notification to alert the receiver.



*MBOX Smart Locker is now available in MerryMart Grocery Branch in DD Meridian Park*

**CORPORATE STRUCTURE**

The following chart sets forth an overview of the corporate structure of the MM Group as of December 31, 2024.



MM is a wholly owned subsidiary of III. III is the holding company of the Sia family, led by its major shareholder and Chairman, Mr. Edgar J. Sia II, the Founder of Mang Inasal and Co-Founder of DD.

***MerryMart Grocery Centers Inc.***

MM wholly owns MMGC, which operates and acts as the master franchisor, owner and operator of MerryMart Grocery, MerryMart Market and MerryMart Express. It was incorporated on September 28, 2018 to engage in the business, acquire, hold, own, operate, or manage of wholesale or retail trade of foodstuffs, grocery items, household items, consumer goods, and merchandise on any lands, buildings, supermarkets, malls, stores, stalls, or structures owned, leased, held, operated, managed or occupied by MerryMart branded retail stores.

***MM Consumer Technologies Corp.***

MM wholly owns MTech, it was incorporated on February 23, 2019 to engage in the business to acquire hold, own, operate, or manage of various consumer technology ventures. MTech serves as the arm for consumer technology related ventures.

***MBox Smart Lockers Corp.***

Incorporated on February 29, 2019, MM holds 70% MBox thru MTech, which operates and acts as the arm for investment, development, management of operations related but not limited to storage and distribution, including smart lockers, storage and other logistic tools.

***M Supplies Corp.***

M Supplies is a wholly owned subsidiary of MM and was incorporated on March 29, 2022, with the primary purpose of engaging in the business, acquire, hold, own, operate, or manage wholesale or retail trade of foodstuffs, grocery items, household items, consumer goods, and merchandise, on any lands, buildings, supermarkets, malls, stores, stalls or structures owned, leased, held, operated, managed or occupied by the corporation.

***Carlos Drug-Lucena, Inc. (Carlos SuperDrug)***

Carlos SuperDrug was incorporated and registered with the SEC to conduct, undertake and carry the business of retailing, wholesaling, distributing, manufacturing, buying, selling or otherwise dealing in drugs, pharmaceuticals, as well as medicinal, veterinary or agricultural compounds and chemicals, hospital, medical and laboratory supplies and equipment, food preparations, cosmetics, toiletries and general merchandise of all kinds and description; and to import and export all lawful object of commerce; and to commercial broker, factor, agent upon consignment of indent orders or in any other representative capacity for natural and juridical persons and entities, whether domestic or foreign. It is the biggest pharmacy chain in Quezon Province.

***Z.C. Ramthel Corporation (Cecile's Pharmacy)***

Cecile’s Pharmacy was primarily incorporated and registered with the SEC on December 21, 2009 to engage in, conduct and carry on the business of buying and sell of pharmaceutical products and all kinds of grocery and food items usually known as convenience stores in the Philippines whether it is domestic produced or imported products in retail and wholesale basis.

**EMPLOYEES**

As of December 31, 2024, the MM Group has 1,127 direct employees.






In addition to direct employees, the MM Group have entered into contracts with third party agencies for the supply of additional manpower services to meet the required staffing requirements, including security personnel, warehouse staffs, store staffs, drivers, maintenance and utility staff.

The MM Group has no collective bargaining agreements with its employees due to the absence of organized labor organizations within the organization. Aside from complying with the minimum compensation standards mandated by law, the MM Group makes available to qualified personnel supplemental benefits such as health insurance, car plans and merit-based bonuses. The MM Group has not experienced any disruptive labor disputes, strikes or threats of strikes, and the MM Group believes that the it maintains a healthy relationship with employees.

**INTELLECTUAL PROPERTY**

The operations of MM and its subsidiary, MMGC, are not dependent on any copyright, patent, trademark, license, franchise, concession or royalty agreement. The Company and its subsidiaries have the following trademark registered with the Intellectual Property Office as of December 31, 2023:

<b>Trademark</b>	<b>Mark</b>	<b>Registrant</b>	<b>Registration Date</b>
MERRYMART GROCERY		Merrymart Grocery Centers Inc.	13 September 2019

MERRYMART 3-in-1		MerryMart Grocery Centers Inc.	05 February 2021
MERRYMART MM Smiley		MerryMart Grocery Centers Inc.	23 April 2021
Carlos SuperDrug		Carlos SuperDrug [Ph]	13 April 2017
Carlos SuperDrug – Alagang Carlos		Carlos Drugs- Lucena Inc. [Ph]	15 June 2017
MBOX		MBox Smart Lockers Corp.	07 November 2021

The above trademarks are important because name recognition and exclusivity of use are contributing factors to the success of the Company’s developments. In the Philippines, certificates of registration of a trademark filed with the Intellectual Property Office are generally effective for a period of 10 years, unless terminated earlier.

The Company is also the owner of one domain name: <https://merrymart.com.ph>.

## HEALTH, SAFETY AND ENVIRONMENT

The MM Group regards occupational health and safety as one of its most important corporate and social responsibilities and it is the Company’s corporate policy to comply with existing environmental laws and regulations. Permits and approvals are regularly monitored by the MM Group to ensure that all are properly renewed and maintained. The Group also conducts regular trainings on environment, health and safety.

## INVENTORY AND LOGISTICS MANAGEMENT

All merchandise inventories of the MM Group are stored in the MM Group’s distribution centers and warehouses located at each branch. The intention is for all MerryMart Express formats to be 100% supplied by the MM Group’s distribution centers once established nationwide. Meanwhile, MerryMart Groceries have an option to purchase inventories direct from suppliers and distributors or through the MM Group’s distribution centers. The goal of the MM Group in the medium to long-term is to consolidate all purchases of the MM Group’s branch network through its distribution centers so that it can benefit from volume purchases and discounts and establish direct lines and supplier relationships with large manufacturers.

Inventories supplied by the MM Group's distribution center to its franchisees will contribute to its consolidated revenues. The intention is for the MM Group to earn a margin from the supply chain operations of its distribution centers in the near-term.

Suppliers are a combination of manufacturers and third-party distributors. The MM Group plans to centralize the storage of merchandise inventories in order to efficiently manage the movement of inventories and inventory requirements of each branch. Distribution centers deliver inventories to the branch; then, each branch will place orders, receive inventory, remove damaged goods and rotate stock to improve inventory turnover. On a case to case basis manufacturers and third-party distributors deliver directly to the branches. Direct deliveries are accommodated for expedited deliveries and highly-perishable items such as bread, refrigerated or frozen items and chocolate.

MMGC uses the SAP system to manage its inventories. The system helps track the movement of merchandise and provides analytics to the merchandising team to plan and timely make adjustments.

## **CASH MANAGEMENT AND INTERNAL CONTROL**

The MM Group deals with large amounts of cash transactions daily and has implemented a simplified and uniform cash management processes across all branches.

The MM Group uses a POS system to track sales and cash flow. With a POS, the MM Group can easily see collections for the day and the payment methods used by the customers. Currently, MMGC branches accept cash, credit cards, debit cards, gift checks, checks and QR-based mobile payment technology like Alipay, WeChat, GCash and PayMaya.

Each store has a cashier supervisor responsible for counting all cash and reconciling sales and collections daily. Branches send a daily sales and collections report to the head office for proper reconciliation and reporting. All cash collections are stored in the secured vaults for bank pick up. Since the cashiers will be the front and center handling cash payments, all cashiers of the MM Group are trained to identify counterfeit currencies as an internal control to minimize the risk of accepting fake bills.

The MM Group has implemented certain internal controls to provide reasonable assurance of the safekeeping of assets, like cash and inventories, and the reliability of accounting records. Internal control procedures include segregation of duties, annual and cycle inventory counts, security measures, operational audits, using an automated system, performing regular reconciliations and regular review and analysis of historical data.

## **INSURANCE**

The MM Group maintains the following types of insurance policies for its branches: Property All Risks (Material Damage – All risks of sudden, accidental and unforeseen, direct and physical loss, destruction of or damage to the property), Comprehensive General Liability (Use, Operations and Maintenance of the Premises) which includes third party property damage and/or bodily injury, fire and explosion legal liability, elevator and escalator liability, excess automobile liability, premises medial payments, first aid payment, car park liability, independent contractors, 72 hours sudden and accidental pollution, neon, advertising, sign and decorative liability, personal injury, event, stampede, libel and slander liability,

Machinery Breakdown, Plate Glass, Robbery and Burglary, Electron Equipment, Personal Accident, Money Securities & Payroll and Fidelity Guarantee.

## **SUPPLIERS**

The MM Group is not dependent on one or a limited number of suppliers. The MM Group's supplier base ranges from local suppliers, distributors to multinationals. The MM Group selects its suppliers based on specific criteria, first and foremost based on the supplier's product assortment and popularity or market share of the supplier's products in each subcategory it serves. In addition, the MM Group's selection policy for suppliers includes consideration of the supplier's location, brand reputation, capacity to supply, ability to deliver on time and compliance with the MM Group's requirements.

The MM Group purchases goods on a per order basis by issuing purchase orders to suppliers. Typically, a purchase order also includes the terms of payment which range from 7- to 60-day credit. The MM Group avails of prompt payment discounts for upfront payments made to suppliers upon delivery. These discounts aid the MM Group by increasing its margin or by enabling it to provide attractive pricing to its customers if the discounts are passed on.

## **FRANCHISE OPERATIONS**

The MM Group is open to franchising its large format stores via conversion of existing supermarkets and its small format stores to as new build franchised stores. Medium format MerryMart Market expansion will be from company-owned stores and will not be open for franchising due to the nature of the niche market that it caters to. It requires its franchisees to operate a MerryMart Express in accordance with its methods, technology, marketing techniques and operational processes. The MM Group places great emphasis on its extensive experience and familiarity of the Philippine market by providing the consumer with a wide assortment of merchandise while maintaining excellent customer service.

MM evaluates the franchise applicants' operational capability to operate the store as well as its financial management capability to successfully manage the store. The franchisees execute a unit franchise agreement for each store opened, typically providing for a 10-year term.

## **SALES AND MARKETING**

The MM Group emphasizes on providing the consumer a wide assortment of merchandise, maintaining competitive pricing and achieving excellent customer experience all the time. The MM Group also aims to increase awareness of its brand and establish a new category in the retail business with its three-in-one concept – home essentials retail category.

The MM Group does market survey and competitor check to ensure that MM pricing are at par with competitors. The MM Group ensures that each store has the right mix of products and that SKUs/categories that are most popular and profitable are always available.

The MM Group also creates seasonal campaigns that can help the MM Group earn year-round, like offering product bundles and discounts for a limited time only on specific occasions (e.g., Valentine's Day, Father's Day) and those falling on low seasons.

A strong working relationship with major suppliers has also been a key driver to the growth of the MM Group as it provides price competitiveness while offering a comprehensive range of products. Suppliers offer product promos, freebies, and discounts which customers take advantage of. The MM Group also partners with specific suppliers to offer promotional pricing.

To promote the MerryMart brands and branches, the MM Group utilizes marketing campaigns via media platforms such as digital, major newspapers, magazine, billboards, television and radio. The MM Group has been active online through its social media accounts in Facebook and Instagram, where it can communicate with its customers to promote the brand, branches and products. These social media accounts are regularly updated to share news about MerryMart, promote products, highlight promotions and campaigns, and increase awareness of the brand. For more information on the MM Group's online and social media activities please refer to the MM Group's corporate website, [www.merrymart.com.ph](http://www.merrymart.com.ph) and its Facebook account, <https://www.facebook.com/MerryMartPh/>. The MM Group also uses local store marketing, that consists of MerryMart flyers, billboards, lamp post banners and above the line advertisements on local radio.

Increasing brand awareness also requires locating its stores in prime and mature locations across the country. The MM Group banks on its strong background in retail services to enable it to identify key locations. It has consistently adopted a strategy of targeted development coupled with a focused study of its market to determine and expand its growth areas.

In addition to the current development of its mobile app, the MM Group will launch a loyalty consumer program to further market its brand and stores.

## **PRODUCT SELECTION**

The MM Group offers a combination of imported and locally manufactured brands and products of over 20,000 SKUs. The products and product mixes of each store are reviewed on a regular basis to keep track of fast, slow, and non-moving items and to ensure that each store has the optimum product mix. The medium and large format stores will have the complete product lines while the small format stores will have the essentials of the same product lines.

The MM Group selects product based on marketability. The MM Group's merchandising team monitors each store profitability and selects products that the market requires. Other than marketability, the MM Group also monitors the offerings of suppliers, concessionaires, and consumer feedback and identifies new trends and new product offerings.

The number of SKUs carried per store varies depending on the store size and location. The SKUs that are non-performing for a certain period will be discontinued.

## CUSTOMERS

### Customer Loyalty Programs – MerryMart Wholesale Club

The Group offers wholesale program, the MM Wholesale Club, wherein members can earn a point for every 200 pesos worth of purchase. Points earned may be used for bulk orders at MerryMart Wholesale Online Grocery. Members and Loyalty Card holders also gives access and convenience of picking up bulk order at MM Distribution Center in Tarlac Centralhub.

## PROPERTIES

As of December 31, 2024, the MM Group has these list of operational stores:

Stores	Number of Operating Stores
Injap Supermart	2
MerryMart Grocery	25
MerryMart Market	1
MerryMart Express	26
Carlos SuperDrug	43
Ceciles Pharmacy	35
MSupplies	3
MM Wholesale	1
Total	136

The MM Group leases spaces for their retail stores as well as their distribution centers from both related parties and non-related parties. The lease rates and terms for these properties follow standard market rates and practices for similar businesses

MMGC also leases its corporate office space located at 9F DoubleDragon Plaza Tower 1, DD Meridian Park in the Manila Bay area.

## ITEM 2. LEGAL PROCEEDINGS

As of December 31, 2024, the MM Group is not involved in any litigation regarding an event which occurred during the past five years that they consider material.

### **ITEM 3. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

**1. Approval of the 2024 Audited Financial Statements and 2024 Annual Report**

Date of Approval by Board of Directors : May 15, 2025

**2. Ratification of the Actions of the Board of Directors and Officers**

Date of Approval by Stockholders : December 16, 2024

**3. Election of Directors**

Date of Approval by Stockholders : December 16, 2024

**4. Appointment of External Auditors**

Date of Approval by Stockholders : December 16, 2024

## PART II OPERATIONAL AND FINANCIAL INFORMATION

### ITEM 4. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

#### MARKET INFORMATION

The Company's Common Shares are traded and listed with the Philippine Stock Exchange starting June 15, 2020.

#### 2024 Prices (in PhP/share)

	High	Low	Close
First Quarter	₱ 1.09	₱ 0.95	₱ 0.96
Second Quarter	₱ 0.96	₱ 0.80	₱ 0.81
Third Quarter	₱ 0.84	₱ 0.65	₱ 0.70
Fourth Quarter	₱ 0.80	₱ 0.56	₱ 0.60

#### 2023 Prices (in PhP/share)

	High	Low	Close
First Quarter	₱ 1.68	₱ 1.17	₱ 1.18
Second Quarter	₱ 1.42	₱ 1.10	₱ 1.15
Third Quarter	₱ 1.19	₱ 1.01	₱ 1.12
Fourth Quarter	₱ 1.23	₱ 1.00	₱ 1.03

As of December 31, 2024, the closing price of the Company's common shares was ₱0.60 per share with a total market capitalization of ₱4,556,962,025.

The price information as of the close of the latest practicable trading date May 15, 2025 is ₱0.52 per share with a total market capitalization of ₱3,949,367,089.

#### DIVIDENDS AND DIVIDENDS POLICY

MM's current dividend policy provides that up to 30% of the preceding fiscal year's net income after tax can be declared as dividends, subject to (i) the availability of unrestricted retained earnings, (ii) implementation of business plans, (iii) contractual obligations, and (iv) working capital requirements. There

can be no guarantee that MM will pay any dividends in the future. The declaration and payment of dividends is subject to compliance annually or as often as the Board of Directors may deem appropriate, in cash or in kind and/or in additional shares from its surplus profits. The ability of MM to pay dividends will depend on its retained earnings level and financial condition. There is no assurance that MM will pay dividends in the future.

MM's subsidiary, MMGC intends to approve a dividend policy that would entitle MM to receive dividends equivalent to 30% to 100% of the prior year's net income after tax subject to (i) the availability of unrestricted retained earnings, (ii) implementation of business plans, (iii) contractual obligations, and (iv) working capital requirements. While cash dividends from MMGC are subject to approval MMGC's Board of Directors, no stockholder approval is required. Property dividends which may come in the form of additional shares of stock are subject to approval by both MMGC's Board of Directors and stockholders. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and the PSE. MMGC has not declared dividends in the past.

### ***Record Date and Payment Date***

Pursuant to existing SEC rules, any declaration of cash dividends must have a record date not less than 10 nor more than 30 days from the date of declaration. For stock dividends, the record date should not be less than 10 nor more than 30 days from the date of the shareholders' approval. In either case, the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP.

Pursuant to the "Amended Rules Governing Pre-emptive and other Subscription Rights and Declaration of Stock and Cash Dividends" of the SEC, all cash dividends and stock dividends declared by a company shall be remitted to PDTC for immediate distribution to participants not later than 18 trading days after the record date (the "**Payment Date**"); provided that in the case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date. If the stock dividend shall come from an increase in capital stock, all stock shall be credited to PDTC for immediate distribution to its participants not later than 20 trading days from the record date set by the SEC, which in no case shall be later than the stock dividends' listing date.

### ***Dividend History***

On February 18, 2020, MM's Board of Directors declared a cash dividend in the total amount of ₱8.4 Million payable to stockholders of record as of February 21, 2020. The amount of cash dividend paid was equivalent to 30% of the MM Group's Consolidated Net Income which was ₱28.0 Million for the year ended December 31, 2019. The cash dividend was paid on February 26, 2020. Neither MM nor any of its subsidiaries have declared dividends in prior years.

## PRINCIPAL SHAREHOLDERS

The following table sets forth the largest shareholders of the Company's Common Shares as of December 31, 2023.

	<b>Name</b>	<b>Nationality</b>	<b>No. of Shares</b>	<b>Percentage</b>
1	PCD – Filipino	Filipino	7,558,719,792	99.5%
2	PCD- Non Filipino	Non - Filipino	34,409,302	0.5%
3	David Angelo Bornilla	Filipino	936,000	0.0%
4	Rameses Victorius G. Villagonzalo	Filipino	600,000	0.0%
5	Mark Louie Apao	Filipino	200,000	0.0%
6	Irish Hazel G. Manaois	Filipino	23,000	0.0%
7	Myra P. Villanueva	Filipino	9,000	0.0%
8	Joyce Anne M. Coralde	Filipino	5,000	0.0%
9	Daphne Dianne D. Mendoza	Filipino	5,000	0.0%
10	Myrna P. Villanueva	Filipino	5,000	0.0%
11	Clarisse C. Chan	Filipino	4,600	0.0%
12	Lilibeth S. Apao or Socrates Apao	Filipino	4,000	0.0%
13	Kennedy M. Olvid	Filipino	3,000	0.0%
14	Edgar J. Sia	Filipino	2,000	0.0%
15	Edgar J. Sia II	Filipino	2,000	0.0%
16	Ferdinand J. Sia	Filipino	2,000	0.0%
17	Pacita J. Sia	Filipino	2,000	0.0%
18	Rizza Marie Joy J. Sia	Filipino	2,000	0.0%
19	Milagros P. Villanueva	Filipino	1,000	0.0%
20	Marietta V. Cabreza	Filipino	1,000	0.0%
21	Juan Carlos V. Cabreza	Filipino	1,000	0.0%
22	Joselito Tanwangco Bautista	Filipino	10	0.0%
23	Marriana H. Yulo-Luccini	Filipino	1	0.0%
24	Jacqueline Ann Marie O. Gomez	Filipino	1	0.0%
25	Jose Roelph E. Desales	Filipino	1	0.0%
26	Victoria R. Tamayao	Filipino	1	0.0%
27	Gary Emerson P. Cheng	Filipino	1	0.0%
	<b>Total</b>		<b>7,594,936,709</b>	<b>100.0%</b>

## ITEM 5. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

**Calendar Year Ended December 31, 2024 and 2023**

### RESULTS OF OPERATION

#### MERRYMART CONSUMER CORP. AND SUBSIDIARIES Audited Consolidated Statements of Comprehensive Income For the year ended December 31, 2024 & 2023

			Horizontal Analysis		Vertical Analysis	
	December 31, 2024	December 31, 2023	Increase (Decrease)		2024	2023
<b>REVENUES</b>						
Sale of goods	₱7,687,269,980	₱6,196,860,686	₱1,490,409,294	24.1%	98.5%	98.3%
Display rental	24,868,275	23,833,989	1,034,286	4.3%	0.3%	0.4%
Other operating income	93,034,099	84,065,989	8,968,110	10.7%	1.2%	1.3%
	<b>7,805,172,354</b>	<b>6,304,760,664</b>	<b>1,500,411,690</b>	<b>23.8%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>COST OF SALES</b>						
	6,286,709,657	5,486,636,144	800,073,513	14.6%	80.5%	87.0%
<b>GROSS PROFIT</b>	<b>1,518,462,697</b>	<b>818,124,520</b>	<b>700,338,177</b>	<b>85.6%</b>	<b>19.5%</b>	<b>13.0%</b>
<b>OPERATING EXPENSES</b>						
	1,367,049,523	1,142,073,194	224,976,329	19.7%	17.5%	18.1%
<b>INCOME FROM OPERATIONS</b>	<b>151,413,174</b>	<b>(323,948,674)</b>	<b>475,361,848</b>	<b>(146.7%)</b>	<b>1.9%</b>	<b>(5.1%)</b>
INTEREST EXPENSE	(34,523,382)	(23,767,574)	(10,755,808)	45.3%	(0.4%)	(0.4%)
INTEREST INCOME	921,035	24,627,452	(23,706,417)	(96.3%)	0.0%	0.4%
SHARE IN INCOME OF ASSOCIATE	-	8,086,788	(8,086,788)	(100.0%)	0.0%	0.1%
GAIN FROM ACQUISITION	-	636,022,695	(636,022,695)	(100.0%)	0.0%	10.1%
<b>INCOME BEFORE TAX</b>	<b>117,810,827</b>	<b>321,020,687</b>	<b>(203,209,860)</b>	<b>(63.3%)</b>	<b>1.5%</b>	<b>5.1%</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<b>33,736,721</b>	<b>(87,176,782)</b>	<b>120,913,503</b>	<b>(138.7%)</b>	<b>0.4%</b>	<b>(1.4%)</b>
<b>NET INCOME</b>	<b>₱84,074,106</b>	<b>₱408,197,469</b>	<b>(₱324,123,363)</b>	<b>(79.4%)</b>	<b>1.1%</b>	<b>6.5%</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
REMEASUREMENT GAIN ON DEFINED BENEFIT LIABILITY	(278,983)	(2,716,605)	2,437,622	(89.7%)	(0.0%)	(0.0%)
<b>NET COMPREHENSIVE INCOME</b>	<b>₱83,795,123</b>	<b>₱405,480,864</b>	<b>(₱321,685,741)</b>	<b>(79.3%)</b>	<b>1.1%</b>	<b>6.4%</b>
<b>NET INCOME TO PARENT</b>						
	63,308,094	406,817,697	(343,509,603)	(84.4%)	0.8%	6.5%
<b>NCI NET INCOME</b>						
	20,766,012	1,379,772	19,386,240	1405.0%	0.3%	0.0%
<b>NET INCOME/ TOTAL COMPREHENSIVE INCOME</b>	<b>₱84,074,106</b>	<b>₱408,197,469</b>	<b>(₱324,123,363)</b>	<b>(79.4%)</b>	<b>1.1%</b>	<b>6.5%</b>
<b>NET INCOME TO PARENT</b>						
	61,850,688	404,101,092	(342,250,404)	(84.7%)	0.8%	6.4%
<b>NCI NET INCOME (LOSS)</b>						
	21,944,435	1,379,772	20,564,663	1490.4%	0.3%	0.0%
<b>NET COMPREHENSIVE INCOME</b>	<b>₱83,795,123</b>	<b>₱405,480,864</b>	<b>(₱321,685,741)</b>	<b>(79.3%)</b>	<b>1.1%</b>	<b>6.4%</b>

For the year ended December 31, 2024, the MM Group earned a consolidated revenue of ₱7,805.2 million, an increase of 23.8% from ₱6,304.8 million in 2023 mainly due from the increase of sales of goods.

For the year ended December 31, 2024, sale of goods increased by 24.1% or ₱1,490.4 million from ₱6,196.9 million in 2023 to ₱7,687.3 million in 2024 which contributes 98.5% of 2024 total revenue. This was driven by the additional revenue from new stores of the Group and the continuous growth of the existing stores also contributed to the increase.

The increase in other operating income is mainly from increase in listing fee from suppliers for new products.

For the year ended December 31, 2024, the MM Group's cost of sales is ₱6,286.7 million, an increase of 14.6% compared to ₱5,486.6 million for the year ended December 31, 2023, primarily due to increase in sales of goods offset by the grant received by the Group.

For the year ended December 31, 2024, the MM Group realized an increase of 85.6% in consolidated gross profit from ₱818.1 million in 2023 at 13.0% margin to ₱1,518.5 million at 19.5% margin in the same period of 2024, driven by strong sales growth.

Operating expenses increased by ₱225.0 million or 19.7% from the ₱1,142.1 million in the year ended December 31, 2023 to ₱1,367.0 million in 2024. The was primarily due to increase in employee costs, depreciation and utilities offset by the grant received by the Group.

Interest expense pertains to the accounting adjustment for the adoption of PFRS 16. The amount is the computed interest expense for the lease contract liability recognized.

Interest income decreased by 96.3% in 2024 due to decrease in short term placements during the year.

Share in income of associate pertains to the Parent Company's share in net income of Ceciles Pharmacy. In December 12, 2023, Ceciles Pharmacy has been reclassified to investment in subsidiary. In 2024, income from Ceciles Pharmacy has been included in the revenue of the group.

Gain from acquisition in 2023 pertains to the increase in net asset value of Ceciles Pharmacy including the increase in the Company's share.

Income tax expense for the year ended December 31, 2024 amounted to ₱33.7 million due to taxable income driven by sales growth for the period.

For the year ended December 31, 2024, the MM Group earned a consolidated net income of ₱84.1 million a decrease of 79.4% from ₱408.2 million in 2023. The decrease is mainly due to the one time recognition of gain from acquisition in 2023.

## FINANCIAL POSITION

### MERRYMART CONSUMER CORP. AND SUBSIDIARIES

#### Audited Consolidated Statements of Financial Position

As at December 31, 2024 & 2023

	December 31, 2024	December 31, 2023	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2024	2023
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	₱2,436,030,006	₱745,575,628	₱1,690,454,378	226.7%	16.4%	6.1%
Receivables	152,319,905	152,392,461	(72,556)	(0.0%)	1.0%	1.2%
Inventories	2,860,665,532	2,744,017,089	116,648,443	4.3%	19.3%	22.3%
Prepaid expenses and other current assets	731,765,092	657,104,062	74,661,030	11.4%	4.9%	5.3%
<b>Total Current Assets</b>	<b>₱6,180,780,535</b>	<b>₱4,299,089,240</b>	<b>1,881,691,295</b>	<b>43.8%</b>	<b>41.6%</b>	<b>34.9%</b>
<b>Noncurrent Assets</b>						
Property and equipment - net	₱4,707,604,841	₱4,106,537,658	₱601,067,183	14.6%	31.7%	33.4%
Right-of-use asset	565,171,478	563,121,534	2,049,944	0.4%	3.8%	4.6%
Intangible asset	2,852,149,469	2,850,063,805	2,085,664	0.1%	19.2%	23.1%
Deferred tax asset	134,779,869	132,045,829	2,734,040	2.1%	0.9%	1.1%
Other noncurrent assets	399,426,484	361,768,302	37,658,182	10.4%	2.7%	2.9%
<b>Total Noncurrent Assets</b>	<b>₱8,659,132,141</b>	<b>₱8,013,537,128</b>	<b>645,595,013</b>	<b>8.1%</b>	<b>58.4%</b>	<b>65.1%</b>
	<b>₱14,839,912,676</b>	<b>₱12,312,626,368</b>	<b>₱2,527,286,308</b>	<b>20.5%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	₱1,745,740,466	₱1,697,741,402	₱47,999,064	2.8%	11.8%	13.8%
Income tax payable	20,259,666	6,570,009	13,689,657	208.4%	0.1%	0.1%
Short-term loans payable	3,286,000,000	3,021,000,000	265,000,000	8.8%	22.1%	24.5%
<b>Total Current Liabilities</b>	<b>₱5,052,000,132</b>	<b>₱4,725,311,411</b>	<b>326,688,721</b>	<b>6.9%</b>	<b>34.0%</b>	<b>38.4%</b>
<b>Noncurrent Liabilities</b>						
Retirement liability	₱48,056,089	₱40,211,342	7,844,747	19.5%	0.3%	0.3%
Lease liability	512,992,555	519,388,039	(6,395,484)	(1.2%)	3.5%	4.2%
Long-term loans payable	4,816,034,937	2,679,617,342	2,136,417,595	79.7%	32.5%	21.8%
Other noncurrent liabilities	16,091,893	29,656,287	(13,564,394)	(45.7%)	0.1%	0.2%
<b>Total Noncurrent Liabilities</b>	<b>₱5,393,175,474</b>	<b>₱3,268,873,010</b>	<b>2,124,302,464</b>	<b>65.0%</b>	<b>36.3%</b>	<b>26.5%</b>
<b>Total Liabilities</b>	<b>₱10,445,175,606</b>	<b>₱7,994,184,421</b>	<b>2,450,991,185</b>	<b>30.7%</b>	<b>70.4%</b>	<b>64.9%</b>
<b>Equity</b>						
Capital stock	₱379,746,835	₱379,746,835	-	0.0%	2.6%	3.1%
Additional paid-in capital	1,386,292,253	1,386,292,253	-	0.0%	9.3%	11.3%
Retained earnings	1,220,197,161	1,156,889,067	63,308,094	5.5%	8.2%	9.4%
Reserve on defined benefit plan	(253,586)	25,397	(278,983.00)	(1098.5%)	(0.0%)	0.0%
Non Controlling Interest	1,408,754,407	1,395,488,395	13,266,012	1.0%	9.5%	11.3%
<b>Total Equity</b>	<b>₱4,394,737,070</b>	<b>₱4,318,441,947</b>	<b>₱76,295,123</b>	<b>1.8%</b>	<b>29.6%</b>	<b>35.1%</b>
<b>Total Liabilities and Equity</b>	<b>₱14,839,912,676</b>	<b>₱12,312,626,368</b>	<b>₱2,527,286,308</b>	<b>20.5%</b>	<b>100.0%</b>	<b>100.0%</b>

## ASSETS

Total assets as at December 31, 2024 is ₱14,839.9 million compared to ₱12,312.6 million as at December 31, 2023, a ₱2,527.3 million or 20.5% increase.

### *Current Assets*

As at December 31, 2024 and 2023, total current assets amounted to ₱6,180.8 million or 41.6% of total assets, and ₱4,299.1 million or 34.9% of total assets, respectively, for an increase of ₱1,881.7 million or 43.8%.

Cash and cash equivalents increase by 226.7% from ₱745.6 million as at December 31, 2023 to ₱2,436.0 million as at December 31, 2024 primarily due from cash from operations and proceeds from loan.

Receivables accounts for 1.0% of the total assets as at December 31, 2024. These receivables amounted to ₱152.3 million and ₱152.4 million as at December 31, 2024 and December 31, 2023, respectively, which are mainly from credit card transactions that are settled within 1-3 days from transaction date and receivables from wholesale and corporate customers.

Inventories increased by 4.3% from ₱2,744.0 million as at December 31, 2023 to ₱2,860.7 million as at December 31, 2024. Increase in inventories was mainly due to the opening of additional.

Prepaid expenses and other current assets increased by 11.4% from ₱657.1 million as at December 31, 2023 to ₱731.8 million as at December 31, 2024 primarily due to the increased in input VAT and prepaid expenses.

### *Noncurrent Assets*

As at December 31, 2024 and 2023, total noncurrent assets amounted to ₱8,659.1 million or 58.4% of total assets, and ₱8,013.5 million or 65.1% of total assets, respectively, for an increase of ₱645.6 million or 8.1%.

Property and equipment increased by 14.6% from ₱4,106.5 million as at December 31, 2023 to ₱4,707.6 million as at December 31, 2024 due primarily to the increase in construction in progress and leasehold improvements of new stores, as well as acquisition of store equipment.

Right-of-Use asset is in relation to the adoption of PFRS 16. Right-of-Use Assets amounted to ₱565.2 million and ₱563.1 million as at December 31, 2024 and December 31, 2023, respectively, which is 3.8% and 4.6% of total assets. The increase in right-of-use asset is due to the additional leases of the Group qualified under PFRS 16.

Intangible Assets increased by 0.1% from ₱2,850.1 million as at December 31, 2023 to ₱2,852.1 million as at December 31, 2024.

Deferred tax assets increased by 2.1% from ₱132.0 million as at December 31, 2023 to ₱134.8 million as at December 31, 2024 due to increase in the deferred tax component of NOLCO, MCIT and retirement benefits liability.

Other noncurrent assets mainly pertain to the deposits made by the Group for new lease for its new and upcoming stores. Other noncurrent assets increased by ₱37.7 million or 10.4% from ₱361.8 million as at December 31, 2023 to ₱399.4 million in December 31, 2024, which is 2.7% of the total assets.

## **LIABILITIES**

Total liabilities as at December 31, 2024 is ₱10,445.2 million compared to ₱7,994.2 million as at December 31, 2023, a ₱2,451.0 million or 30.7% increase.

### ***Current Liabilities***

As at December 31, 2024 and 2023, total current liabilities amounted to ₱5,052.0 million or 34.0% of total assets, and ₱4,725.3 million or 38.4% of total assets, respectively, for an increase of ₱326.7 million or 6.9%.

Accounts payable and other current liabilities increased by 2.8% to ₱1,745.7 million as at December 31, 2024, or 11.8% of total assets, due to higher payables to suppliers, accrued expenses and current portion lease liabilities as at December 31, 2024.

Income tax payable amounted to ₱20.3 million or 0.1% of total assets and ₱6.6 million or 0.1% of total assets as at December 31, 2024 and December 31, 2023, respectively. Income tax payable mainly pertains to income tax payable for the year.

Short-term loans payable amounted to ₱3,286.0 million as at December 31, 2024, an increase of ₱265.0 million or 8.8% from ₱3,021.0 million as at December 31, 2023. The increase is due to the increased in short-term loans and current portion of the long-term loan.

### ***Noncurrent Liabilities***

As at December 31, 2024 and 2023, total noncurrent liabilities amounted to ₱5,393.2 million or 36.3% of total assets, and ₱3,268.9 million or 26.5% of total assets, respectively, for an increase of ₱2,124.3 million or 65.0%.

Retirement benefits liability increased by ₱7.8 million or 19.5% due to the additional accrual recognized by the MM Group for its retirement obligation to its employees.

Lease liability pertains to the contractual lease liability recognized by the MM Group for its stores and office space in relation to the PFRS 16 adoption amounting to ₱513.0 million as at December 31, 2024, a decrease of ₱6.4 million or 1.2% from ₱519.4 million as at December 31, 2023. The decrease in lease liability is due to reclassification lease liabilities to current.

Long-term loans payable amounted to ₱4,816.0 million on December 31, 2024, an increase of ₱2,136.4 million or 79.7% from ₱2,679.6 million as at December 31, 2023. The increase is due to additional long-term loan availed by the Group in 2024.

Other noncurrent liabilities decreased to ₱16.1 million as at December 31, 2024 from ₱29.7 million as at December 31, 2023 due to partial payment of retention payable and reclassification of liabilities to current.

## **EQUITY**

Retained earnings amounted to ₱1,220.2 million as at December 31, 2024, an increase of ₱63.3 million or 5.5%. The increase is due to net income attributable to Parent for the year.

Non-controlling interest amounted to ₱1,408.8 million as at December 31, 2024, an increase of ₱13.3 million due net income attributable to NCI.

As at December 31, 2024 and 2023, total equity amounted to ₱4,394.7 million or 29.6% of total assets, and ₱4,318.4 million or 35.1% of total assets, respectively, for an increase of ₱76.3 million or 1.8%. The increase in equity is due to the Group's net income for the period.

## Calendar Year Ended December 31, 2023 and 2022

### RESULTS OF OPERATION

#### MERRYMART CONSUMER CORP. AND SUBSIDIARIES Audited Consolidated Statements of Comprehensive Income For the year ended December 31, 2023 & 2022\*

			Horizontal Analysis		Vertical Analysis	
	December 31, 2023	December 31, 2022	Increase (Decrease)		2023	2022
<b>REVENUES</b>						
Sale of goods	₱6,196,860,686	₱5,240,236,524	₱956,624,162	18.3%	98.3%	98.0%
Display rental	23,833,989	24,179,932	(345,943)	(1.4%)	0.4%	0.5%
Other operating income	84,065,989	82,622,125	1,443,864	1.7%	1.3%	1.5%
	<b>6,304,760,664</b>	<b>5,347,038,581</b>	<b>957,722,083</b>	<b>17.9%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>COST OF SALES</b>	5,486,636,144	4,334,681,123	1,151,955,021	26.6%	87.0%	81.1%
<b>GROSS PROFIT</b>	<b>818,124,520</b>	<b>1,012,357,458</b>	<b>(194,232,938)</b>	<b>(19.2%)</b>	<b>13.0%</b>	<b>18.9%</b>
<b>OPERATING EXPENSES</b>	1,142,073,194	927,800,430	214,272,764	23.1%	18.1%	17.4%
<b>INCOME FROM OPERATIONS</b>	<b>(323,948,674)</b>	<b>84,557,028</b>	<b>(408,505,702)</b>	<b>(483.1%)</b>	<b>(5.1%)</b>	<b>1.6%</b>
INTEREST EXPENSE	(23,767,574)	(23,686,339)	(81,235)	0.3%	(0.4%)	(0.4%)
INTEREST INCOME	24,627,452	1,491,676	23,135,776	1551.0%	0.4%	0.0%
SHARE IN INCOME OF ASSOCIATE	8,086,788	274,903,334	(266,816,546)	(97.1%)	0.1%	5.1%
GAIN FROM ACQUISITION	636,022,695	261,814,244	374,208,451	142.9%	10.1%	4.9%
<b>INCOME BEFORE TAX</b>	<b>321,020,687</b>	<b>599,079,943</b>	<b>(278,059,256)</b>	<b>(46.4%)</b>	<b>5.1%</b>	<b>11.2%</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<b>(87,176,782)</b>	<b>25,089,903</b>	<b>(112,266,685)</b>	<b>(447.5%)</b>	<b>(1.4%)</b>	<b>0.5%</b>
<b>NET INCOME</b>	<b>₱408,197,469</b>	<b>₱573,990,040</b>	<b>(₱165,792,571)</b>	<b>(28.9%)</b>	<b>6.5%</b>	<b>10.7%</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
REMEASUREMENT GAIN (LOSS) ON DEFINED BENEFIT LIABILITY	(2,716,605)	2,082,700	(4,799,305)	(230.4%)	(0.0%)	0.0%
<b>NET COMPREHENSIVE INCOME</b>	<b>₱405,480,864</b>	<b>₱576,072,740</b>	<b>(₱170,591,876)</b>	<b>(29.6%)</b>	<b>10.8%</b>	<b>10.8%</b>
<b>NET INCOME TO PARENT</b>	406,817,697	569,755,822	(162,938,125)	(28.6%)	6.5%	10.7%
<b>NCI NET INCOME</b>	1,379,772	4,234,219	(2,854,447)	(67.4%)	0.0%	0.1%
<b>NET INCOME</b>	<b>₱408,197,469</b>	<b>₱573,990,041</b>	<b>(₱165,792,572)</b>	<b>(28.9%)</b>	<b>6.5%</b>	<b>10.7%</b>
<b>NET INCOME TO PARENT</b>	404,101,092	571,838,521	(167,737,429)	(29.3%)	6.4%	10.7%
<b>NCI NET INCOME (LOSS)</b>	1,379,772	4,234,219	(2,854,447)	(67.4%)	0.0%	0.1%
<b>NET COMPREHENSIVE INCOME</b>	<b>₱405,480,864</b>	<b>₱576,072,740</b>	<b>(₱170,591,876)</b>	<b>(29.6%)</b>	<b>6.4%</b>	<b>10.8%</b>

\* Audited Consolidated Statements of Comprehensive Income for the year ended December 31, 2022 has been restated in order to effect correction of prior period errors with respect to the recognition of the Parent Company's investment in Cecile's Pharmacy in 2022 from Investment in subsidiary to Investment in associate. The amendments constitute a decrease of 17.20% in sale of Goods while cost of sales, and operating expenses also decreased by 18.09% and 11.87%, respectively. Consolidated net income for 2022 increase by 78.38%.

For the year ended December 31, 2023, the MM Group earned a consolidated revenue of ₱6,304.8 million, an increase of 17.9% from ₱5,347.0 million in 2022. This was driven by the revenue brought by the additional stores and the fully operational MM Wholesale, and the continuous growth of the existing stores also contributed to the increase.

For the year ended December 31, 2023, sale of goods increased by 18.3% or ₱956.6 million from ₱5,240.2 million in 2022 to ₱6,196.9 million in 2023 which contributes 98.2% of 2023 total revenue.

The increase in other operating income is mainly from increase in income from distribution center and wholesale delivery fee.

For the year ended December 31, 2023, the MM Group's cost of sales is ₱5,486.6 million, an increase of 26.6% compared to ₱4,334.7 million for the year ended December 31, 2022, primarily due to increase in sales of goods.

For the year ended December 31, 2023, the MM Group realized a decrease of 19.2% in consolidated gross profit from ₱1,012.4 million in 2022 at 18.9% margin to ₱818.1 million at 13.0% margin in the same period of 2023, mainly due to higher contribution of MM's wholesale business which is still on scale up stage and has higher per transaction value but tighter gross profit margin.

Operating expenses increased by ₱214.3 million or 23.1% from the ₱927.8 million in the year ended December 31, 2022 to ₱1,142.1 million in 2023. The additional operating expenses are mainly attributable to the operating expenses of new operational stores and increase in distribution centers, logistics and systems upgrade expenses.

Interest expense pertains to the accounting adjustment for the adoption of PFRS 16. The amount is the computed interest expense for the lease contract liability recognized.

Interest income increased by 1551.0% in 2023 due to increase deposit placements during the year.

Share in income of associate pertains to the Parent Company's share in net income of Ceciles Pharmacy. In December 12, 2023, Ceciles Pharmacy has been reclassified to investment in subsidiary.

Gain from acquisition in 2022 mainly pertains to the excess in net asset value of Carlos and Ceciles Pharmacy over the cost, while Gain from acquisition in 2023 pertains to the increase in net asset value of Ceciles Pharmacy including the increase in the Company's share.

Income tax benefit for the year ended December 31, 2023 amounted to ₱87.2 million mainly due to tax benefits from NOLCO.

For the year ended December 31, 2023, the MM Group earned a consolidated net income of ₱408.2 million a decrease of 28.9% from ₱574.0 million in 2022. The decrease is mainly due to the lower gross profit and higher expenses during the year given the temporary scale up stage of the wholesale business with higher per transaction value but tighter margins and additional expenses in the distribution centers, logistics network and systems upgrade.

## FINANCIAL POSITION

### MERRYMART CONSUMER CORP. AND SUBSIDIARIES

#### Audited Consolidated Statements of Financial Position

As at December 31, 2023 & 2022\*

	December 31, 2023	December 31, 2022	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2023	2022
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	₱745,575,628	₱712,159,133	₱33,416,495	4.7%	6.1%	8.7%
Receivables	152,392,461	137,192,039	15,200,422	11.1%	1.2%	1.7%
Inventories	2,744,017,089	2,131,993,401	612,023,688	28.7%	22.3%	26.0%
Prepaid expenses and other current assets	657,104,062	578,679,383	78,424,679	13.6%	5.3%	7.1%
<b>Total Current Assets</b>	<b>₱4,299,089,240</b>	<b>₱3,560,023,956</b>	<b>739,065,284</b>	<b>20.8%</b>	<b>34.9%</b>	<b>43.5%</b>
<b>Noncurrent Assets</b>						
Property and equipment - net	₱4,106,537,658	₱2,591,020,678	1,515,516,980	58.5%	33.4%	31.6%
Right-of-use asset	563,121,534	468,524,238	94,597,296	20.2%	4.6%	5.7%
Intangible asset	2,850,063,805	734,942,902	2,115,120,903	287.8%	23.1%	9.0%
Deferred tax asset	132,045,829	27,269,104	104,776,725	384.2%	1.1%	0.3%
Investment in associate	-	392,309,584	(392,309,584)	(100.0%)	0.0%	4.8%
Other noncurrent assets	361,768,302	416,789,861	(55,021,559)	(13.2%)	2.9%	5.1%
<b>Total Noncurrent Assets</b>	<b>₱8,013,537,128</b>	<b>₱4,630,856,367</b>	<b>3,382,680,761</b>	<b>73.0%</b>	<b>65.1%</b>	<b>56.5%</b>
	<b>₱12,312,626,368</b>	<b>₱8,190,880,323</b>	<b>₱4,121,746,045</b>	<b>50.3%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	₱1,697,741,402	₱891,122,264	₱806,619,138	90.5%	13.8%	10.9%
Income tax payable	6,570,009	1,552,376	5,017,633	323.2%	0.1%	0.0%
Short-term loans payable	3,021,000,000	1,867,083,333	1,153,916,667	61.8%	24.5%	22.8%
<b>Total Current Liabilities</b>	<b>₱4,725,311,411</b>	<b>₱2,759,757,973</b>	<b>1,965,553,438</b>	<b>71.2%</b>	<b>38.4%</b>	<b>33.7%</b>
<b>Noncurrent Liabilities</b>						
Retirement liability	₱40,211,342	₱22,524,833	17,686,509	78.5%	0.3%	0.3%
Due to related parties	-	1,052,308	(1,052,308)	(100.0%)	0.0%	0.0%
Lease liability	519,388,039	429,348,079	90,039,960	21.0%	4.2%	5.2%
Long-term loans payable	2,679,617,342	2,185,361,334	494,256,008	22.6%	21.8%	26.7%
Other noncurrent liabilities	29,656,287	43,220,681	(13,564,394)	(31.4%)	0.2%	0.5%
<b>Total Noncurrent Liabilities</b>	<b>₱3,268,873,010</b>	<b>₱2,681,507,235</b>	<b>587,365,775</b>	<b>21.9%</b>	<b>26.5%</b>	<b>32.7%</b>
<b>Total Liabilities</b>	<b>₱7,994,184,421</b>	<b>₱5,441,265,208</b>	<b>2,552,919,213</b>	<b>46.9%</b>	<b>64.9%</b>	<b>66.4%</b>

<b>Equity</b>						
Capital stock	₱379,746,835	₱379,746,835	-	0.0%	3.1%	4.6%
Additional paid-in capital	1,386,292,253	1,386,292,253	-	0.0%	11.3%	16.9%
Retained earnings	1,156,889,067	750,071,370	406,817,697	54.2%	9.4%	9.2%
Reserve on defined benefit plan	25,397	2,742,002	(2,716,605)	(99.1%)	0.0%	0.0%
Non Controlling Interest	1,395,488,395	230,762,655	1,164,725,740	504.7%	11.3%	2.8%
<b>Total Equity</b>	<b>₱4,318,441,947</b>	<b>₱2,749,615,115</b>	<b>₱1,568,826,832</b>	<b>57.1%</b>	<b>35.1%</b>	<b>33.6%</b>
<b>Total Liabilities and Equity</b>	<b>₱12,312,626,368</b>	<b>₱8,190,880,323</b>	<b>₱4,121,746,045</b>	<b>50.3%</b>	<b>100.0%</b>	<b>100.0%</b>

*\* Audited Consolidated Statement of Financial Position as at December 31, 2022 has been restated in order to effect correction of prior period errors with respect to the recognition of the Parent Company's investment in Cecile's Pharmacy in 2022 from Investment in subsidiary to Investment in associate. The amendments constitute a decrease of 2.89% in Total Assets and decrease of 7.12% in Total Liabilities.*

## **ASSETS**

Total assets as at December 31, 2023 is ₱12,313.6 million compared to ₱8,190.9 million as at December 31, 2022, a ₱4,121.7 million or 50.3% increase.

### ***Current Assets***

As at December 31, 2023 and 2022, total current assets amounted to ₱4,299.1 million or 34.9% of total assets, and ₱3,560.0 million or 43.5% of total assets, respectively, for an increase of ₱739.1 million or 20.8%.

Cash and cash equivalents increase by 4.7% from ₱712.2 million as at December 31, 2022 to ₱745.6 million as at December 31, 2023 primarily due from proceeds from loan and cash from operations.

Receivables accounts for 1.2% of the total assets as at December 31, 2023. It increased by 11.1% from ₱137.2 million as at December 31, 2022 to ₱152.4 million as at December 31, 2023 due to receivables from credit card transactions that are settled within 1-3 days from transaction date and receivables from wholesale and corporate customers.

Inventories increased by 28.7% from ₱2,132.0 million as at December 31, 2022 to ₱2,744.0 million as at December 31, 2023. Increase in inventories was due to the opening of additional stores and inventories from acquired subsidiaries.

Prepaid expenses and other current assets increased by 13.6% from ₱578.7 million as at December 31, 2022 to ₱657.1 million as at December 31, 2023 primarily due to the increased in input VAT related to the construction of new stores and increase in prepaid expenses.

### ***Noncurrent Assets***

As at December 31, 2023 and 2022, total noncurrent assets amounted to ₱8,013.5 million or 65.1% of total assets, and ₱4,630.9 million or 56.5% of total assets, respectively, for an increase of ₱3,382.7 million or 73.0%.

Property and equipment increased by 58.5% from ₱2,591.0 million as at December 31, 2022 to ₱4,106.5 million as at December 31, 2023 due primarily to the increase in construction in progress and leasehold improvements of new stores, as well as acquisition of store equipment.

Right-of-Use asset is in relation to the adoption of PFRS 16. Right-of-Use Assets amounted to ₱563.1 million and ₱468.5 million as at December 31, 2023 and December 31, 2022, respectively, which is 4.6% of total assets. The increase in right-of-use asset is due to the additional leases of the Group qualified under PFRS 16.

Intangible Assets increased by 287.8% from ₱734.9 million as at December 31, 2022 to ₱2,850.1 million as at December 31, 2023 due to Cecile's and Carlos' Brand recognized by the Group in relation to the acquisition.

Deferred tax assets increased by 384.2% from ₱27.3 million as at December 31, 2022 to ₱132.0 million as at December 31, 2023 due to increase in the deferred tax component of NOLCO, MCIT and retirement benefits liability.

Investment in associate amounted to nil as at December 31, 2023 due to reclassification of Cecile's Pharmacy to a subsidiary.

Other noncurrent assets mainly pertain to the deposits made by the Group for new lease for its new and upcoming stores. Other noncurrent assets decreased by ₱55.0 million or 13.2% from ₱416.8 million as at December 31, 2022 to ₱361.8 million in December 31, 2023, which is 2.9% of the total assets.

## **LIABILITIES**

Total liabilities as at December 31, 2023 is ₱7,994.2 million compared to ₱5,441.3 million as at December 31, 2022, a ₱2,552.9 million or 46.9% increase.

### ***Current Liabilities***

As at December 31, 2023 and 2022, total current liabilities amounted to ₱4,726.3 million or 38.4% of total assets, and ₱2,759.8 million or 33.7% of total assets, respectively, for an increase of ₱1,966.5 million or 71.3%.

Accounts payable and other current liabilities increased by 90.5% to ₱1,697.7 million as at December 31, 2023, or 13.8% of total assets, due to higher payables to suppliers, accrued expenses and current portion lease liabilities as at December 31, 2023.

Income tax payable amounted to ₱6.6 million or 0.1% of total assets and ₱1.6 million or 0.0% of total assets as at December 31, 2023 and December 31, 2022, respectively. Income tax payable mainly pertains to income tax payable for the year.

Short-term loans payable amounted to ₱3,021.0 million as at December 31, 2023, an increase of ₱1,153.9 million or 61.8% from ₱1,867.1 million as at December 31, 2022. The increase is due to the short-term loans and current portion of the long-term loan availed by the Group in 2023.

### ***Noncurrent Liabilities***

As at December 31, 2023 and 2022, total noncurrent liabilities amounted to ₱3,268.9 million or 26.5% of total assets, and ₱2,681.5 million or 32.7% of total assets, respectively, for an increase of ₱587.4 million or 21.9%.

Retirement benefits liability increased by ₱17.7 million or 78.5% due to the additional accrual recognized by the MM Group for its retirement obligation to its employees.

Due to related parties amounted to nil as at December 31, 2023 and ₱1.1 million as at December 31, 2022.

Lease liability pertains to the contractual lease liability recognized by the MM Group for its stores and office space in relation to the PFRS 16 adoption amounting to ₱519.4 million as at December 31, 2023, an increase of ₱90.0 million or 21.0% from ₱429.3 million as at December 31, 2022. The increase in lease liability is due to additional spaces qualified under PFRS 16 leased by the Group for its newly opened stores.

Long-term loans payable amounted to ₱2,679.6 million on December 31, 2023, an increase of ₱494.3 million or 22.6% from ₱2,185.4 million as at December 31, 2022. The increase is due to additional long-term loan availed by the Group in 2023.

Other noncurrent liabilities decreased to ₱29.7 million as at December 31, 2023 from ₱43.2 million as at December 31, 2022 due to partial payment of retention payable.

## **EQUITY**

Retained earnings amounted to ₱1,156.9 million as at December 31, 2023, an increase of ₱406.8 million or 54.2%. The increase is due to net income attributable to Parent for the year.

Non-controlling interest amounted to ₱1,395.5 million as at December 31, 2023, an increase of ₱1,164.7 million due to acquisition of new subsidiaries during the period and net income attributable to NCI.

As at December 31, 2023 and 2022, total equity amounted to ₱4,318.4 million or 35.1% of total assets, and ₱2,749.6 million or 33.6% of total assets, respectively, for an increase of ₱1,568.8 million or 57.1%. The increase in equity is due to the Group's net income for the period.

## Calendar Year Ended December 31, 2022 and 2021

### RESULTS OF OPERATION

#### MERRYMART CONSUMER CORP. AND SUBSIDIARIES Audited Consolidated Statements of Comprehensive Income For the year ended December 31, 2022 & 2021

	December 31, 2022	December 31, 2021	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2022	2021
<b>REVENUES</b>						
Sale of goods	₱5,240,236,524	₱3,855,509,832	1,384,726,692	35.9%	98.0%	98.1%
Display rental	24,179,932	21,034,255	3,145,677	15.0%	0.5%	0.5%
Other operating income	82,622,125	52,842,525	29,779,600	56.4%	1.5%	1.3%
	<b>5,347,038,581</b>	<b>3,929,386,612</b>	<b>1,417,651,969</b>	<b>36.1%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>COST OF SALES</b>	4,334,681,123	3,277,257,704	1,057,423,419	32.3%	81.1%	83.4%
<b>GROSS PROFIT</b>	<b>1,012,357,458</b>	<b>652,128,908</b>	<b>360,228,550</b>	<b>55.2%</b>	<b>18.9%</b>	<b>16.6%</b>
OPERATING EXPENSES	927,800,430	582,763,356	345,037,074	59.2%	17.4%	14.8%
<b>INCOME FROM OPERATIONS</b>	<b>84,557,028</b>	<b>69,365,552</b>	<b>15,191,476</b>	<b>21.9%</b>	<b>1.6%</b>	<b>1.8%</b>
INTEREST EXPENSE	(23,686,339)	(15,960,615)	(7,725,724)	48.4%	(0.4%)	(0.4%)
INTEREST INCOME	1,491,676	1,750,905	(259,229)	(14.8%)	0.0%	0.0%
SHARE IN INCOME OF ASSOCIATE	274,903,334	-	274,903,334	0.0%	5.1%	0.0%
GAIN FROM ACQUISITION	261,814,244	-	261,814,244	0.0%	4.9%	0.0%
<b>INCOME BEFORE TAX</b>	<b>599,079,943</b>	<b>55,155,842</b>	<b>543,924,101</b>	<b>986.2%</b>	<b>11.2%</b>	<b>1.4%</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<b>25,089,903</b>	<b>21,158,303</b>	<b>3,931,600</b>	<b>18.6%</b>	<b>0.5%</b>	<b>0.5%</b>
<b>NET INCOME</b>	<b>₱573,990,040</b>	<b>₱33,997,539</b>	<b>₱539,992,501</b>	<b>1588.3%</b>	<b>10.7%</b>	<b>0.9%</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
REMEASUREMENT GAIN (LOSS) ON DEFINED BENEFIT LIABILITY	2,082,700	2,115,694	(32,994)	(1.6%)	0.0%	0.1%
<b>NET COMPREHENSIVE INCOME</b>	<b>₱576,072,740</b>	<b>₱36,113,233</b>	<b>₱539,959,507</b>	<b>1495.2%</b>	<b>10.8%</b>	<b>0.9%</b>
<b>NET INCOME TO PARENT</b>	<b>569,755,822</b>	<b>34,304,682</b>	<b>535,451,140</b>	<b>1560.9%</b>	<b>10.7%</b>	<b>0.9%</b>
<b>NCI NET INCOME</b>	<b>4,234,219</b>	<b>(307,143)</b>	<b>4,541,362</b>	<b>(1478.6%)</b>	<b>0.1%</b>	<b>(0.0%)</b>
<b>NET INCOME</b>	<b>₱573,990,041</b>	<b>₱33,997,539</b>	<b>₱539,992,502</b>	<b>1588.3%</b>	<b>9.1%</b>	<b>0.9%</b>
<b>NET INCOME TO PARENT</b>	<b>571,838,521</b>	<b>36,420,376</b>	<b>535,418,145</b>	<b>1470.1%</b>	<b>10.7%</b>	<b>0.9%</b>
<b>NCI NET INCOME (LOSS)</b>	<b>4,234,219</b>	<b>(307,143)</b>	<b>4,541,362</b>	<b>(1478.6%)</b>	<b>0.1%</b>	<b>(0.0%)</b>
<b>NET COMPREHENSIVE INCOME</b>	<b>₱576,072,740</b>	<b>₱36,113,233</b>	<b>₱539,959,507</b>	<b>1495.2%</b>	<b>10.8%</b>	<b>0.9%</b>

For the year ended December 31, 2022, the MM Group earned a consolidated revenue of ₱5,347.0 million, an increase of 36.1% from ₱3,929.4 million in 2021. This was driven by the revenue brought by the recently acquired Carlos SuperDrug and the fully operational MM Wholesale. The expansion of the Group's grocery retail store with the opening of additional MerryMart-branded groceries and stores and the continuous growth of the existing stores also contributed to the increase.

For the year ended December 31, 2022, sale of goods increased by 35.9% or ₱1,384.7 million from ₱3,855.5 million in 2021 to ₱5,240.2 in 2022 which contributes 98.0% of 2022 total revenue.

The increase in display rental is due additional operating stores in 2022.

The increase in other operating income is mainly due to the increase in product enlistment fee and income share from associate.

For the year ended December 31, 2022, the MM Group's cost of sales is ₱4,334.7 million, an increase of 32.3% compared to ₱3,277.3 million for the year ended December 31, 2021, which is in line with the increase of revenues, primarily driven by the acquisition.

For the year ended December 31, 2022, the MM Group realized an increase of 55.2% in consolidated gross profit from ₱652.1 million in 2021 at 16.6% margin to ₱1,012.4 million at 18.9% margin in the same period of 2022, driven by strong sales growth and increase in other operating income of the Group.

Operating expenses increased by ₱345.0 million or 59.2% from the ₱582.8 million in the year ended December 31, 2021 to ₱927.8 million in 2022. The additional operating expenses are mainly attributable to the operating expenses of new operational stores and acquired subsidiaries.

Interest expense pertains to the accounting adjustment for the adoption of PFRS 16. The amount is the computed interest expense for the lease contract liability recognized. The increase in interest expense of ₱7.7 million or 48.4% from ₱16.0 million in the year ended December 31, 2021 to ₱23.7 million in 2022 is due to additional leases of MM Group qualified under PFRS 16.

Interest income decreased by 14.8% in 2022 due to decrease in deposit placement.

Share in income of associate pertains to the Parent Company's share in net income of Ceciles Pharmacy.

Gain from acquisition pertains to the excess in net asset value of Carlos over the acquisition cost.

Pre-tax income increased by 986.2% year-on-year to ₱599.1 million due to the increase in the revenue of the Group.

Income tax expense for the year ended December 31, 2022 amounted to ₱25.1 million due to taxable income driven by sales growth for the period.

For the year ended December 31, 2022, the MM Group earned a consolidated net income of ₱574.0 million an increase of 1588.3% from ₱34.0 million in 2021. The increase is mainly due to the higher revenue generated by the Group.

## FINANCIAL POSITION

### MERRYMART CONSUMER CORP. AND SUBSIDIARIES

Audited Consolidated Statements of Financial Position  
As at December 31, 2022 & 2021

	December 31, 2022	December 31, 2021	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2022	2021
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	₱712,159,133	₱2,030,327,961	(₱1,318,168,828)	(64.9%)	8.7%	31.3%
Receivables	137,192,039	86,062,063	51,129,976	59.4%	1.7%	1.3%
Inventories	2,131,993,401	1,372,727,670	759,265,731	55.3%	26.0%	21.1%
Prepaid expenses and other current assets	578,679,383	292,638,800	286,040,583	97.7%	7.1%	4.5%
<b>Total Current Assets</b>	<b>₱3,560,023,956</b>	<b>₱3,781,756,494</b>	<b>(221,732,538)</b>	<b>(5.9%)</b>	<b>43.5%</b>	<b>58.2%</b>
<b>Noncurrent Assets</b>						
Property and equipment - net	₱2,591,020,678	₱1,718,685,658	872,335,020	50.8%	31.6%	26.5%
Right-of-use asset	468,524,238	449,025,449	19,498,789	4.3%	5.7%	6.9%
Intangible asset	734,942,902	54,962,301	679,980,601	1237.2%	9.0%	0.8%
Deferred tax asset	27,269,104	37,919,270	(10,650,166)	(28.1%)	0.3%	0.6%
Investment in associate	392,309,584	-	392,309,584	0.0%	4.8%	0.0%
Other noncurrent assets	416,789,861	450,109,053	(33,319,192)	(7.4%)	5.1%	6.9%
<b>Total Noncurrent Assets</b>	<b>₱4,630,856,367</b>	<b>₱2,710,701,731</b>	<b>1,920,154,636</b>	<b>70.8%</b>	<b>56.5%</b>	<b>41.8%</b>
	<b>₱8,190,880,323</b>	<b>₱6,492,458,225</b>	<b>₱1,698,422,098</b>	<b>26.2%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	₱891,122,264	₱822,473,155	₱68,649,109	8.3%	10.9%	12.7%
Income tax payable	1,552,376	-	1,552,376	0.0%	0.0%	0.0%
Short-term loans payable	1,867,083,333	1,295,000,000	572,083,333	44.2%	22.8%	19.9%
<b>Total Current Liabilities</b>	<b>₱2,759,757,973</b>	<b>₱2,117,473,155</b>	<b>642,284,818</b>	<b>30.3%</b>	<b>33.7%</b>	<b>32.6%</b>
<b>Noncurrent Liabilities</b>						
Retirement liability	₱22,524,833	₱9,085,689	13,439,144	147.9%	0.3%	0.1%
Due to related parties	1,052,308	-	1,052,308	0.0%	0.0%	0.0%
Lease liability	429,348,079	407,535,140	21,812,939	5.4%	5.2%	6.3%
Long-term loans payable	2,185,361,334	1,997,053,555	188,307,779	9.4%	26.7%	30.8%
Other noncurrent liabilities	43,220,681	2,580,000	40,640,681	1575.2%	0.5%	0.0%
<b>Total Noncurrent Liabilities</b>	<b>₱2,681,507,235</b>	<b>₱2,416,254,384</b>	<b>265,252,851</b>	<b>11.0%</b>	<b>32.7%</b>	<b>37.2%</b>
<b>Total Liabilities</b>	<b>₱5,441,265,208</b>	<b>₱4,533,727,539</b>	<b>907,537,669</b>	<b>20.0%</b>	<b>66.4%</b>	<b>69.8%</b>

<b>Equity</b>						
Capital stock	₱379,746,835	₱379,746,835	-	0.0%	4.6%	5.8%
Additional paid-in capital	1,386,292,253	1,386,292,253	-	0.0%	16.9%	21.4%
Retained earnings	750,071,370	180,339,438	569,731,932	315.9%	9.2%	2.8%
Reserve on defined benefit plan	2,742,002	659,303	2,082,699	315.9%	0.0%	0.0%
Non Controlling Interest	230,762,655	11,692,857	219,069,798	1873.5%	2.8%	0.2%
<b>Total Equity</b>	<b>₱2,749,615,115</b>	<b>₱1,958,730,686</b>	<b>₱790,884,429</b>	<b>40.4%</b>	<b>33.6%</b>	<b>30.2%</b>
<b>Total Liabilities and Equity</b>	<b>₱8,190,880,323</b>	<b>₱6,492,458,225</b>	<b>₱1,698,422,098</b>	<b>26.2%</b>	<b>100.0%</b>	<b>100.0%</b>

## ASSETS

Total assets as at December 31, 2022 is ₱8,190.9 million compared to ₱6,492.5 million as at December 31, 2021, a ₱1,698.8 million or 26.2% increase.

### *Current Assets*

As at December 31, 2022 and 2021, total current assets amounted to ₱3,560.0 million or 43.5% of total assets, and ₱3,781.8 million or 58.2% of total assets, respectively, for a decrease of ₱221.7 million or 5.9%.

Cash and cash equivalents decreased by 64.9% from ₱2,030.3 million as at December 31, 2021 to ₱712.2 million as at December 31, 2022 primarily due to cash used in the roll out of additional stores and acquisition of subsidiaries.

Receivables accounts for 1.7% of the total assets as at December 31, 2022. It increased by 59.4% from ₱86.1 million as at December 31, 2021 to ₱137.2 million as at December 31, 2022 due to receivables from credit card transactions that are settled within 1-3 days from transaction date and receivables from wholesale and corporate customers.

Inventories increased by 55.3% from ₱1,372.7 million as at December 31, 2021 to ₱2,132.0 million as at December 31, 2022. Increase in inventories was due to the opening of additional stores and inventories from acquired subsidiaries.

Prepaid expenses and other current assets increased by 97.7% from ₱292.6 million as at December 31, 2021 to ₱578.7 million as at December 31, 2022 primarily due to the increased in input VAT related to the construction of new stores, additional prepayments and advances to suppliers.

### *Noncurrent Assets*

As at December 31, 2022 and 2021, total noncurrent assets amounted to ₱4,630.9 million or 56.5% of total assets, and ₱2,710.7 million or 41.8% of total assets, respectively, for an increase of ₱1,920.2 million or 70.8% .

Property and equipment increased by 50.8% from ₱1,718.7 million as at December 31, 2021 to ₱2,591.0 million as at December 31, 2022 due primarily to the increase in construction in progress and leasehold improvements of new stores, as well as acquisition of store equipment.

Right-of-Use asset is in relation to the adoption of PFRS 16. Right-of-Use Assets amounted to ₱468.5 million and ₱449.0 million as at December 31, 2022 and December 31, 2021, respectively, which is 5.7% of total assets. The increase in right-of-use asset is due to the additional leases of the Group qualified under PFRS 16.

Intangible Assets increased by 1237.2% from ₱55.0 million as at December 31, 2021 to ₱734.9 million as at December 31, 2022 due to the Carlos Brand recognized by the Group in relation to acquisition of Carlos SuperDrugs.

Deferred tax assets decreased by 28.1% from ₱37.9 million as at December 31, 2021 to ₱27.3 million as at December 31, 2022 due to increase in the deferred tax component of capitalized borrowing costs.

Investment in associate pertains to investment in Cecile's Pharmacy.

Other noncurrent assets mainly pertain to the deposits made by the Group for new lease for its new and upcoming stores. Other noncurrent assets decreased by ₱33.3 million or 7.4% from ₱450.1 million as at December 31, 2021 to ₱416.8 million in December 31, 2022, which is 5.1% of the total assets.

## **LIABILITIES**

Total liabilities as at December 31, 2022 is ₱5,441.3 million compared to ₱4,533.7 million as at December 31, 2021, a ₱907.5 million or 20.0% increase.

### ***Current Liabilities***

As at December 31, 2022 and 2021, total current liabilities amounted to ₱2,759.8 million or 33.7% of total assets, and ₱2,117.5 million or 32.6% of total assets, respectively, for an increase of ₱642.3 million or 30.3%.

Accounts payable and other current liabilities increased by 8.3% to ₱891.1 million as at December 31, 2022, or 10.9% of total assets, due to higher payables to suppliers, accrued expenses and current portion lease liabilities as at December 31, 2022.

Income tax payable amounted to ₱1.6 million or 0.0% of total assets and nil or 0.0% of total assets as at December 31, 2022 and December 31, 2021, respectively. Income tax payable mainly pertains to income tax payable for the year.

Short-term loans payable amounted to ₱1,867.1 million as at December 31, 2022, an increase of ₱572.1 million or 44.2% from ₱1,295.0 million as at December 31, 2021. The increase is due to the short-term loans and current portion of the long-term loan availed by the Group in 2022.

### ***Noncurrent Liabilities***

As at December 31, 2022 and 2021, total noncurrent liabilities amounted to ₱2,681.5 million or 32.7% of total assets, and ₱2,416.3 million or 37.2% of total assets, respectively, for an increase of ₱265.3 million or 11.0%.

Retirement benefits liability increased by ₱13.4 million or 147.9% due to the additional accrual recognized by the MM Group for its retirement obligation to its employees.

Due to related parties amounted to ₱1.1 million as at December 31, 2022 and nil as at December 31, 2021.

Lease liability pertains to the contractual lease liability recognized by the MM Group for its stores and office space in relation to the PFRS 16 adoption amounting to ₱429.3 million as at December 31, 2022, an increase of ₱21.8 million or 5.4% from ₱407.5 million as at December 31, 2021. The increase in lease liability is due to additional spaces qualified under PFRS 16 leased by the Group for its newly opened stores.

Long-term loans payable amounted to ₱2,185.4 million on December 31, 2022, an increase of ₱188.3 million or 9.4% from ₱1,997.1 million as at December 31, 2021. The increase is due to additional long-term loan availed by the Group in 2022.

Other noncurrent liabilities increased to ₱43.2 million due to additional retention payable.

## **EQUITY**

Retained earnings amounted to ₱750.1 million as at December 31, 2022, an increase of ₱569.7 million or 315.9%. The increase is due to net income attributable to Parent for the year.

Non-controlling interest amounted to ₱230.8 million as at December 31, 2022, an increase of ₱219.1 million due to acquisition of new subsidiaries during the period and net income attributable to NCI.

As at December 31, 2022 and 2021, total equity amounted to ₱2,749.6 million or 33.6% of total assets, and ₱1,958.7 million or 30.2% of total assets, respectively, for an increase of ₱790.9 million or 40.4%. The increase in equity is due to the Group's non-controlling interest and net income for the period.

## Key Performance Indicators of the Company

The following are the key performance indicators used by the Group as at December 31, 2023, 2022 and 2021.

	December 31, 2024	December 31, 2023	December 31, 2022
Current Ratio	1.22	0.91	1.29
Asset to Equity	3.38	2.85	2.98
Debt to Equity Ratio	1.84	1.32	1.47
Acid Test Ratio	0.51	0.19	0.31
Return on Equity	2.14%	14.95%	25.52%
Net Income to Revenue	0.81%	6.45%	10.66%
Revenue Growth	23.80%	17.91%	36.08%
Solvency Ratio	0.05	0.09	0.14

The following are the formula by which the Company calculates the foregoing performance indicators are as follows:

1. Current Ratio  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2. Asset to Equity Ratio  $\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$
3. Debt to Equity Ratio  $\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$
4. Return on Equity  $\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$
5. Net Income to Revenue  $\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$
6. Revenue Growth  $\frac{\text{Total Revenue (Current Period)} - \text{Total Revenue (Prior Period)}}{\text{Total Revenue (Prior Period)}}$
7. Acid Test Ratio  $\frac{\text{Cash} + \text{Accounts Receivable} + \text{Marketable Securities}}{\text{Current Liabilities}}$
8. Solvency Ratio  $\frac{\text{Net Income} + \text{Depreciation and Amortization}}{\text{Total Liabilities}}$

## **Liquidity & Capital Resources**

MM expects to meet its operating assets and liabilities, capital expenditure and investment requirements for the next 12 months primarily from its operating cash flows, it may from time to time seek other sources of funding, which may include debt or equity financings, depending on its financing needs and market conditions.

Principal uses of cash are for working capital requirements and capital expenditures for stores expansion.

## **Material Events and Uncertainties**

MM Group is not aware of any known trends, demands, commitments, events, or uncertainties that will have a material impact on MM Group's liquidity.

MM Group is not aware of any event that will trigger direct or contingent financial obligation that is material to MM Group, including default or acceleration of any obligation.

MM Group is not aware of any trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations.

MM Group has no material off-balance sheet transactions, arrangements, or obligations that were likely to have a current or future material effect on our financial condition, revenues or expenses, results of operations, liquidity or capital expenditures.

MM Group has no material commitments for capital expenditures other than those performed in the ordinary course of trade of business and MM Group's store expansion plan.

MM Group also has no unconsolidated subsidiaries.

MM Group does not have any significant elements of income or loss that did not arise from its continuing operations.

MM Group experiences the fourth quarter of the year with increase in sales due to Christmas & New Year holidays.

## ITEM 6. FINANCIAL STATEMENTS

Please see the attached consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules.

## ITEM 7. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE

There were no changes in and disagreements with accountants on accounting and financial disclosure.

## PART III CONTROL AND COMPENSATION INFORMATION

### ITEM 8. DIRECTORS AND EXECUTIVE OFFICERS AND REGISTRANTS

Our overall management and supervision are undertaken by the Board. Our executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning our business operations, financial condition, and results of operations for its review. Currently, the Board consists of seven members, at least two of whom are independent directors. Except for Mr. Edgar J. Sia II and Mr. Ferdinand J. Sia, who have been directors since MM's incorporation, all the directors were elected at MM's stockholders meeting on December 16, 2024. All directors will hold office for a period of one (1) year from their election and until their successors have been duly elected and qualified.

The following table sets forth the Board of Directors of MM:

<b>Name</b>	<b>Position</b>	<b>Citizenship</b>
Edgar J. Sia II.....	Chairman/CEO	Filipino
Ferdinand J. Sia.....	President/COO	Filipino
Marriana H. Yulo-Luccini.....	CFO/CIO	Filipino
Atty. Jacqueline Ann Marie O. Gomez.....	Corporate Secretary	Filipino
Jose Roelph E. Desales.....	Assistant Corp. Secretary	Filipino
Atty. Victoria R. Tamayao	Independent Director	Filipino
Gary Emerson P. Cheng	Independent Director	Filipino

The following table sets forth MM's key executive and corporate officers ("Senior Management"):

<b>Name</b>	<b>Position</b>	<b>Citizenship</b>
Edgar J. Sia II.....	Chairman/CEO	Filipino
Ferdinand J. Sia.....	President/COO	Filipino

Shella A. Sia.....	Treasurer/EVP	Filipino
Rizza Marie Joy J. Sia-Javelona.....	Comptroller	Filipino
Marriana H. Yulo-Luccini.....	CFO/CIO	Filipino
Mercedes L. Taleon.....	Chief Development Officer	Filipino
Atty. Jacqueline Ann Marie O. Gomez.....	Corporate Secretary	Filipino

The following states the business experience of our incumbent directors and officers for the last five years:

*Edgar J. Sia II*, is the Chairman and Chief Executive Officer of MM from 2019 to present and has been a director of MM since incorporation to present. He is the Founder of Mang Inasal and Co-Founder, Chairman and Chief Executive Officer of DD from 2012 to present and Chairman and Chief Executive Officer of III from 2007 to present. Mr. Sia took up Bachelors of Science in Architecture at the University of San Agustin and the same university in 2011 conferred him an Honorary Doctorate Degree – Major in Management.

*Ferdinand J. Sia*, is the President and Chief Operating Officer of MM from 2019 to present and has been a director of MM since incorporation to present. He is currently the President and Chief Operating Officer of DD since 2012 to present and III since 2007 to present. He previously served as Director of Mang Inasal from 2006 to 2016. He graduated from the Arellano University School of Law.

*Shella A. Sia*, is the Treasurer and Executive Vice President of MM from 2020 to present. She also serves as the Corporate Secretary of III since 2007 to present. She previously served as the Executive Vice President and Treasurer of Mang Inasal from 2007 to present. She took up Bachelors of Science in Economics in the University of San Agustin.

*Rizza Marie S. Javelona*, is the Comptroller of MM from 2020 to present. She also serves as Comptroller of MM’s subsidiary, MMGC from 2020 to present. She is currently the Treasurer and Chief Finance Officer of DD from 2012 to present and III from 2007 to present. She graduated Bachelors of Science in Accountancy at the University of the Philippines – Visayas and is a Certified Public Accountant.

*Marriana H. Yulo-Luccini*, is the Chief Financial Officer and Chief Investment Officer of MM from 2020 to present and has been a director of MM from 2020 to present. She also serves as Chief Investment Officer of DD from 2015 to present and the CEO of Hotel101 Global Pte Ltd. She was previously Chief Financial Officer of Alphaland Corporation and Group Chief Financial Officer of PhilWeb Corporation, ISM Communications Corporation, and Atok Big-Wedge Co. Inc. from 2011 to 2014. She graduated in Business Administration – Major in Management at Palawan State University and has a Masters in Business Administration Degree from the University of St. La Salle.

*Mercedes L. Taleon*, is the Chief Development Officer of MM from 2020 to present. She also serves as Chief Development Officer of MM’s subsidiary, MMGC from 2020 to present. She was previously General Manager of MMGC from 2018 to 2020. She also served as Vice President in Leasing and Regional Operations Manager of Robinsons Land Corporation from 2016 to 2018. She graduated Bachelors of Science in Biological Sciences at the West Visayas State University.

*Gary Emerson P. Cheng*, is an Independent Director of MM from 2020 to present. He is currently the Managing Director and Co-Founder of Fortman Cline Capital Markets Limited from 2007 to present. Dr. Cheng also serves as Independent Director of DD from 2013 to present. Dr. Cheng served as the former

President/CEO of Amalgamated Investment Bancorporation from 2003 to 2018 and former Vice President of Investment Banking at J.P. Morgan from 1993 to 2002. Dr. Cheng obtained his doctorate in Philosophy from the University of Leeds, England.

*Atty. Victoria R. Tamayao*, is an Independent Director of MM from 2020 to present. She is the Senior and Managing Partner of Tamayao & Associates, Attorneys-at-Law from 2006 to present and is the Chairman and President of Glory Facilities and Development Inc. from 2019 to present. She obtained her Bachelor of Laws and Bachelors of Science in Business Economics degrees from the University of the Philippines, Diliman.

*Atty. Jacqueline Ann Marie O. Gomez*, is the Corporate Secretary and director of MM from 2020 to present. She joined III in 2014 to present and was previously an associate at Falgui Law Office from 2009 to 2013. She graduated cum laude from the University of the Philippines – Diliman with an Economics degree and obtained Juris Doctor Degree from the same university in 2008. Atty Gomez was admitted to the Philippine Bar in 2009.

*Jose Roelph E. Desales*, is the Assistant Corporate Secretary and director of MM from 2020 to present. He joined III in 2014 to present and was previously with VXI Global Holdings B.V. (Philippines) as Associate Director for Finance from 2010 to 2012. He graduated Bachelor of Science in Accountancy at the University of the Philippines in the Visayas and is a Certified Public Accountant.

## **FAMILY RELATIONSHIPS**

As of December 31, 2024, family relationships (by consanguinity or affinity within the fourth civil degree) between Directors and members of MM's Senior Management are as follows:

Mr. Edgar J. Sia II, Mr. Ferdinand J. Sia and Ms. Rizza Marie Joy J. Sia-Javelona are siblings. Ms. Shella A. Sia is the spouse of Mr. Edgar J. Sia II. Other than the foregoing, there are no family relationships either by consanguinity or affinity up to the fourth civil degree among our Directors, Executive Officers and Shareholders.

Other than as disclosed above, there are no other family relationships between Directors and members of MM's Senior Management known to MM.

## **INDEPENDENT DIRECTORS**

The Manual requires MM to have at least two independent directors in the Board of Directors who serves as the Chairman of the Audit Committee and as a member of the Compensation Commission. An independent director is defined as a person who has not been an officer or employee of MM, its Subsidiaries or affiliates or related interests during the past three years counted from date of his election, or any other individual having a relationship with the institution, its parent, subsidiaries or related interest, or to any of MM's director, officer or stockholder holding shares of stock sufficient to elect one seat in the board of directors or any of its related companies within the fourth degree of consanguinity or affinity, legitimate or common-law, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

## COMMITTEES OF THE BOARD

To aid in complying with the principles of good governance, the Manual provides that the Board shall create and appoint Board members to each of the committees set forth below. Each member of the respective committees named below holds office as of the date of this Prospectus and will serve until his successor is elected and qualified.

### *Audit Committee*

The Audit Committee is composed of at least three members of the Board who have accounting and finance backgrounds, at least one of whom is an independent director and another with audit experience. The chair of the Audit Committee should be an independent director.

The Audit Committee has the following functions:

- (a) Provide oversight over management's activities in managing credit, market, liquidity, operational, legal, and other risks of MM. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- (b) Recommends the approval the Internal Audit Charter ("**IA Charter**"), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- (c) Through the Internal Audit ("**IA**") Department, monitors and evaluates the adequacy and effectiveness of MM's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data and information technology security, and (d) ensure compliance with applicable laws and regulations;
- (d) Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- (e) Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- (f) Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;
- (g) Review the annual internal audit plan to ensure its conformity with the objectives of MM. The plan shall include the audit scope, resources, and budget necessary to implement it;
- (h) Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- (i) Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and

to the MM's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in MM's Annual Report and Annual Corporate Governance Report;

- (j) Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
  - 1. Any change/s in accounting policies and practices
  - 2. Areas where a significant amount of judgment has been exercised
  - 3. Significant adjustments resulting from the audit
  - 4. Going concern assumptions
  - 5. Compliance with accounting standards
  - 6. Compliance with tax, legal and regulatory requirements
- (k) Reviews the disposition of the recommendations in the External Auditor's management letter;
- (l) Performs oversight functions over MM's Internal and External Auditors, including the review of reports submitted by them. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- (m) Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- (n) Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of MM, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

As of December 31, 2024, the Audit and Risk Management Committee is chaired by Mr. Gary P. Cheng, while Mr. Ferdinand J. Sia and Ms. Marriana H. Yulo-Luccini serve as its members.

### ***Nomination Committee***

The Nomination Committee is composed of at least three members of the Board. The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval and shall assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

As of December 31, 2024, the Nomination Committee is chaired by Atty. Victoria R. Tamayao, while Mr. Ferdinand J. Sia and Ms. Marriana H. Yulo-Luccini serve as its members.

### ***Compensation and Personnel Committee***

The Compensation Committee is composed of at least three members of the Board, one of whom is an independent director. The Compensation Committee may establish a formal and transparent procedure for

developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with MM's culture, strategy and the business strategy in which it operates.

As of December 31, 2024, the Compensation Committee is chaired by Edgar J. Sia II , while Mr. Ferdinand J. Sia and Atty. Victoria R. Tamayao serve as members.

## **EVALUATION SYSTEM AND COMPLIANCE**

As part of its system for monitoring and assessing compliance with the Manual and the SEC Code of Corporate Governance, each committee is required to report regularly to the Board of Directors and the Manual is subject to quarterly review. The Compliance Officer is responsible for determining and measuring compliance with the Manual and the SEC Code of Corporate Governance. Any violation of MM's Corporate Governance Manual shall subject the responsible officer or employee to the following penalties:

- For a first violation, the offender shall be reprimanded.
- For a second violation, suspension from office shall be imposed on the offender. The duration of suspension shall depend on the gravity of the violation. This penalty shall not apply to the members of the Board of Directors.
- For a third violation, the maximum penalty of removal from office shall be imposed on the offender. The commission of a third violation by any member of the board or MM or its Subsidiaries and affiliates shall be sufficient cause for removal from directorship. In case the offender is a member of the Board of Directors, the provisions of Section 27 of the Revised Corporation Code shall be observed.

## **SIGNIFICANT EMPLOYEES**

MM believes that it is not dependent on any single employee. MM considers the collective efforts of all its employees as instrumental to its success. MM believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

There are no known related party transactions other than those described in Note 18 (Related Party Transactions) of the Notes to the Consolidated Financial Statements.

## **ITEM 9. EXECUTIVE COMPENSATION**

For each of the years ended December 31, 2022, 2023 and 2024 the total salaries and allowances and bonuses paid to all other officers as a group unnamed are as follows:

<b>Name &amp; Position</b>	<b>Year</b>	<b>Salary, Bonus and Other Benefits</b>
Edgar J. Sia II Ferdinand J. Sia Rizza Marie J. Sia-Javelona Shella A. Sia	FY 2024	₱6,045,000
Marriana H. Yulo-Luccini Mercedes L. Taleon Atty. Jacqueline Ann Marie O. Gomez	FY 2023	₱5,808,687
<i>Aggregate compensation paid to all officers and directors as a group</i>	FY 2022	₱5,568,687

*For the year 2019, MM did not recognize expenses for key management compensation.*

### ***Compensation of Directors***

For the years ended December 31, 2024, 2023 and 2022, total directors fee amounts to ₱1,080,000, ₱1,080,000 and ₱1,080,000 respectively. There are no other existing arrangements/agreements under which directors are to be compensated during the last completed fiscal year and the ensuing year.

### ***Standard Arrangements***

Other than payment of reasonable gross per diem per non-executive director for every meeting, there are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, director or indirectly, for any services provided as director.

### ***Other Arrangements***

There are no other arrangements pursuant to which any of the Company's Directors is compensated, directly or indirectly, for any service provided as a director.

**ITEM 10. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

**Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Company's voting securities as of December 31, 2024**

<b>Name and Address of Record Owners</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Common Shares Held</b>	<b>% of Total Outstanding Shares</b>
Injap Investments, Inc Fuentes St, Iloilo City	The record owner is the beneficial owner of the shares indicated	Filipino	5,999,989,995	79.00%
PCD - Filipino	-	Filipino	1,558,729,797	20.52%

As of December 31, 2024, foreign shareholders owned 0.45% of the Common Shares of the Company.

**Security Ownership of Directors and Officers as of the date of this report.**

The following table sets forth security ownership of the Company's Directors, and Officers, as of December 31, 2024:

<b>Title of Class</b>	<b>Name of Record Owner</b>	<b>Position</b>	<b>Citizenship</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percentage of Ownership</b>
Common	Edgar J. Sia II	Director / Chairman & CEO	Filipino	838,000 shares	0.01%
Common	Ferdinand J. Sia	Director / President	Filipino	276,000 shares	0.00%
Common	Marriana H. Yulo-Luccini	Director / CFO / CIO	Filipino	1 share	0.00%
Common	Atty. Jacqueline Ann Marie O. Gomez	Director / Corp. Secretary	Filipino	1 share	0.00%
Common	Rizza Marie Joy S. Javelona	Comptroller	Filipino	2,000 shares	0.00%
Common	Jose Roelph E. Desales	Asst. Corp. Secretary	Filipino	1 share	0.00%
Common	Atty. Victoria R. Tamayao	Independent Director	Filipino	1share	0.00%
Common	Gary P. Cheng	Independent Director	Filipino	1 share	0.00%

Except as disclosed above, there is no director or key officer of the Company that owns at least 10% of its issued and outstanding shares of common.

### **Voting Trust Holders of five percent or More**

As of December 31, 2024, MM is not aware of any person holding more than 5.0% of a class of its shares under a voting trust or similar agreement.

### **Change in Control**

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

## **ITEM 11. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS**

The Company and its Subsidiaries, in their ordinary course of business, engage in transactions with related parties and affiliates. These transactions include advances, cost allocations and reimbursement of expenses. Except where indicated in the table below, settlement of outstanding balances of advances at year end occurs in cash. As of December 31, 2024, 2023 and 2022 the Company has not made any provision for impairment losses relating to amounts owed by related parties.

Refer to Note 18 of the 2024 Audited Consolidated Financial Statements for the Company for the summary of the Company's transactions with its related parties for the year ended December 31, 2024, and 2023.

## **PART IV CORPORATE GOVERNANCE**

### **ITEM 12. CORPORATE GOVERNANCE**

MM and its respective directors, officers and employees have complied with the best practices and principles on good corporate governance as embodied in its Corporate Governance Manual. An evaluation system has been established by MM to measure or determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance. The Board of Directors conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees.

The Board of Directors are primarily responsible for the governance of the Company. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to attend its regular and special meetings in person or through

teleconferencing. The MM board's independent directors are aware of their duties as such under the Manual. These independent directors are expected to look after the interests of minority shareholders as well as other MM stakeholders.

As of December 31, 2024, there has been no reported deviation from the Manual and MM continually endeavors to comply with the Manual. The Board of Directors are continually assessing policies that could further improve the corporate governance of the Company.

## **PART V EXHIBITS AND SCHEDULES**

### **ITEM 13. EXHIBITS AND REPORTS ON SEC FORM 17-C**

#### **A EXHIBITS**

See accompanying Index to Exhibits.

The following exhibit is filed as a separate section of this report:

2024 Audited Consolidated Financial Statements

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

#### **B REPORTS ON SEC FORM 17-C (CURRENT REPORT)**

None.

#### **INDEX TO EXHIBITS**

#### **INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

#### **SIGNATURE**