SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-Q

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

1. For the quarterly period end	lec	ende	eriod	/	quarterly	the c	For	1.
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Sep 30, 2025

2. SEC Identification Number

142312

3. BIR Tax Identification No.

000-083-856-000

4. Exact name of issuer as specified in its charter

Ginebra San Miguel Inc.

- 5. Province, country or other jurisdiction of incorporation or organization Philippines
- 6. Industry Classification Code(SEC Use Only)
- 7. Address of principal office

3rd and 6th Floors, San Miguel Properties Centre, St. Francis Street, Ortigas Center, Mandaluyong City

Postal Code

1550

8. Issuer's telephone number, including area code

(+632) 8841-5100

9. Former name or former address, and former fiscal year, if changed since last report N/A

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding	
COMMON STOCK	286,327,841	П

1	1. <i>F</i>	re a	any o	r all	0	t registran	t's	s securities I	listed	on a	Stoc	k E	=xchange	€'
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☑ Yes □ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

The Philippine Stock Exchange, Inc. - Common Shares

12. Indicate by check mark whether the registrant:

or Sections 1 Corporation C	Il reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder 1 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the ode of the Philippines, during the preceding twelve (12) months (or for such shorter registrant was required to file such reports)
☑ Yes	□ No
(b) has been s ☑ Yes	subject to such filing requirements for the past ninety (90) days

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Ginebra San Miguel, Inc. GSMI

PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Sep 30, 2025
Currency (indicate units, if applicable)	Php (in thousands)

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2025	Dec 31, 2024
Current Assets	26,440,109	21,729,243
Total Assets	35,324,662	30,532,593
Current Liabilities	9,406,020	7,506,633
Total Liabilities	10,473,085	8,592,097
Retained Earnings/(Deficit)	26,360,676	23,449,595
Stockholders' Equity	24,851,577	21,940,496
Stockholders' Equity - Parent	23,966,791	21,076,113
Book Value per Share	86.79	76.63

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	16,428,405	15,570,054	48,663,334	45,561,720
Gross Expense	13,871,282	13,644,910	41,154,291	39,225,515
Non-Operating Income	250,271	430,196	973,855	931,775
Non-Operating Expense	19,551	17,737	60,015	52,610
Income/(Loss) Before Tax	2,787,843	2,337,603	8,422,883	7,215,370
Income Tax Expense	688,216	572,136	2,075,865	1,773,938
Net Income/(Loss) After Tax	2,099,627	1,765,467	6,347,018	5,441,432
Net Income Attributable to Parent Equity Holder	2,157,529	1,730,673	6,326,612	5,455,898
Earnings/(Loss) Per Share (Basic)	7.33	6.17	22.17	19
Earnings/(Loss) Per Share (Diluted)	7.33	6.17	22.17	19

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	28.51	24.44
Earnings/(Loss) Per Share (Diluted)	28.51	24.44

Other Relevant Information

Please see attached SEC Form 17-Q (Quarterly Report) of GSMI for the period ended September 30, 2025. Amounts in thousand pesos, except per share data.

Filed on behalf by:

l	Name	Francis Joseph Cruz
l	Designation	General Counsel and Assistant Corporate Secretary
Н		

COVER SHEET

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SECURITIES AND EXCHANGE COMMISSION

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

1.	For the quarterly period ended September 30, 2025	
2.	Commission identification number 142312	
3.	BIR Tax Identification No. 000-083-856-000	
4.	Exact name of issuer as specified in its charter: GINEBRA SAN MIGUEL INC.	
5.	PHILIPPINES Province, country or other jurisdiction of incorporation or organization:	
6.	ndustry Classification Code: (SEC use only)	
7.	Address of issuer's principal office ARD AND ACT OF THE PROPERTIES CENTRE, BROWN AND ACT OF THE PROPERTIES CENTRE, B	
8.	(632) 8841-5100 ssuer's telephone number, including area code	
9.	N.A. Former name, former address and former fiscal year, if changed since last report	
10.	Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA	
11.	Outstanding Capital Stock and Amount of D Outstanding as of September 30, 2025	ebt
	COMMON SHARES 286,327,841 PREFERRED SHARES	
	TOTAL LIABILITIES Php 10,473,085	
12.	Are any or all of the securities listed on a Stock Exchange?	
	Yes [/] No[]	
	f yes, state name of such Stock Exchange and the class/es of securities listed herein.	
	THE PHILIPPINE STOCK EXCHANGE, INC Common	
13.	ndicate by check mark whether the registrant:	
	has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)	
	Yes [/] No []	
	has been subject to such filing requirements for the past 90 days	

Yes [/] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements of Ginebra San Miguel Inc. and its subsidiaries as of and for the period ended September 30, 2025 (with comparative figures as of December 31, 2024 and for the period ended September 30, 2024) and Selected Notes to the Consolidated Financial Statements are attached hereto as **Annex "A"**.

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

The information required by Part III, Paragraph (A)(2)(b) of "Annex C, as amended" is attached hereto as **Annex "B"**.

PART II - OTHER INFORMATION

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

NONE

SIGNATURES

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

Issuer

GINEBRA SAN MIGUEL INC.

Signature and Title

Ariel I. Victoria

OIC - Chief Finance Officer

Jus

Date

November 7, 2025

GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2025 AND DECEMBER 31, 2024

(In Thousands)

		2025	2024
	Note	Unaudited	Audited
ASSETS			
Current Assets			
Cash and cash equivalents	6, 7	P15,249,555	P11,330,931
Trade and other receivables - net	3, 6, 7	1,850,049	1,899,136
Inventories		7,695,930	7,606,929
Prepaid expenses and other current assets	3, 6, 7	1,644,575	892,247
Total Current Assets		26,440,109	21,729,243
Noncurrent Assets			
Investment in debt instruments at amortized cost	3, 6, 7	1,500,000	1,500,000
Property, plant and equipment - net	2	6,506,792	6,392,474
Right-of-use assets - net	3	47,803	65,532
Goodwill - net		126,863	126,863
Deferred tax assets - net		609,657	625,092
Other noncurrent assets - net	3, 6, 7	93,438	93,389
Total Noncurrent Assets		8,884,553	8,803,350
		P35,324,662	P30,532,593
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	3, 6, 7	P7,290,100	P5,666,430
Income and other taxes payable		2,085,672	1,808,095
Lease liabilities - current portion	3, 6	30,248	32,108
Total Current Liabilities		9,406,020	7,506,633
Noncurrent Liabilities			
Retirement liabilities		1,045,838	1,045,838
Lease liabilities - net of current portion	3, 6	21,227	39,626
Total Noncurrent Liabilities		1,067,065	1,085,464
Total Liabilities		10,473,085	8,592,097
Equity			
Capital stock		399,063	399,063
Additional paid-in capital		2,539,454	2,539,454
Equity reserves		(777,643)	(777,643
Retained earnings:		0 = 40 000	0.510.000
Appropriated	-	3,512,000	3,512,000
Unappropriated	5	22,848,676	19,937,595
Treasury stock		(3,669,973)	(3,669,973
Total Equity		24,851,577	21,940,496
		P35,324,662	P30,532,593

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

ARIEL I. VICTORIA
OIC - Chief Finance Officer

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GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

(In Thousands, Except Per Share Data)

For the Quarter Ended 2025 2024 2025 2024 Note Unaudited Unaudited Unaudited Unaudited SALES 3 P48,663,334 P45,561,720 P16,428,405 P15,570,054 **COST OF SALES** 35,808,891 34,385,960 12,074,118 11,838,664 **GROSS PROFIT** 12,854,443 11,175,760 4,354,287 3,731,390 **SELLING AND MARKETING EXPENSES** (3,210,628)(2,958,883)(1,143,881)(1,199,567)GENERAL AND ADMINISTRATIVE EXPENSES (2,134,772)(1,880,672)(653, 283)(606,679)INTEREST EXPENSE AND OTHER FINANCING CHARGES (60,015)(52,610)(19,551)(17,737)INTEREST INCOME 617,645 645,308 199,456 236,661 GAIN ON DISPOSAL / RETIREMENT OF NONCURRENT 363 **ASSETS** - Net OTHER INCOME - Net 356,210 286,104 50,815 193,535 INCOME BEFORE INCOME TAX 8,422,883 2,787,843 7,215,370 2,337,603 **INCOME TAX EXPENSE** 2,075,865 1,773,938 688,216 572,136 P5,441,432 **NET INCOME / TOTAL COMPREHENSIVE INCOME** P6,347,018 P2,099,627 P1,765,467 Basic and diluted earnings per share 4 P22.17 P19.00 P7.33 P6.17 Cash dividends declared per common share P12.00 P8.50 P4.00 P3.00

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

ARIEL I. VICTORIA

OIC - Chief Finance Officer

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GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

(In Thousands)

			Additional	Equity Reserve					
	Capita	Capital Stock	Paid-in	for Retirement	Retained	Retained Earnings	Treasury Stock	y Stock	
Note	e Common	Preferred	Capital	Plan	Appropriated	Appropriated Unappropriated	Common	Preferred	Total
As of January 1, 2025 (Audited)	P345,625	P53,438	P2,539,454	(P777,643)	P3,512,000	P19,937,595	(P1,947,198)	(P1,722,775)	P21,940,496
Net income / total comprehensive income						6,347,018			6,347,018
Cash dividends and distribution on common 5									
shares						(3,435,937)			(3,435,937)
As of September 30, 2025 (Unaudited)	P345,625	P53,438	P2,539,454	(P777,643)	P3,512,000	P22,848,676	(P1,947,198)	(P1,947,198) (P1,722,775)	P24,851,577
As of January 1, 2024 (Audited)	P345,625	P53,438	P2,539,454	(P640,050)	P3,512,000	P16,259,818	(P1,947,198)	(P1,947,198) (P1,722,775)	P18,400,312
Net income / total comprehensive income	1	1	,		1	5,441,432		1	5,441,432
Cash dividends and distribution on common									
shares			,			(2,433,787)	•	,	(2,433,787)
As of September 30, 2024 (Unaudited)	P345,625	P53,438	P2,539,454	(P640,050)	P3,512,000	P19,267,463	(P1,947,198)	(P1,947,198) (P1,722,775)	P21,407,957

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

ARIEL I. VICTORIA
OIC - Chief Finance Officer CERTIFIED CORRECT:

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GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

(In Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES Income before income tax		2025	2024
Income before income tax P8,422,883 P7,215,370 Adjustments for: Depreciation and amortization S58,992 531,018 Retirement expense 97,885 92,600 Accounts payable and accrued expenses 60,016 52,610 Net unrealized foreign exchange loss 4,712 3,259 Gain on disposal/ retirement of noncurrent assets - net - (363) Net derivative gain (12,426) (42,087) Gain on lease modification (12,426) (42,087) Write-down of inventories to net realizable value - (1,740) Interest income (617,645) (645,308) Operating income before working capital changes 8,510,442 7,205,359 Decrease (increase) in: (133,878) (471,765) Inventories 33,263 1,604,322 Prepaid taxes and other current assets (1,133,878) (471,765) Inventories 33,263 1,604,322 Prepaid taxes and other current assets (1,133,878) (471,765) Inventories (1,103,977) (471,765) Inventories		Unaudited	Unaudited
Adjustments for. Depreciation and amortization 558,992 531,018 Retirement expense 97,865 92,600 Accounts payable and accrued expenses 60,015 52,610 Net unrealized foreign exchange loss 4,712 3,259 Gain on disposal/ retirement of noncurrent assets - net - (363) Net derivative gain (12,426) (42,087) Gain on lease modification (3,954) - Write-down of inventories to net realizable value - (1,740) Interest income (617,645) (645,308) Operating income before working capital changes 5,510,442 7,205,359 Decrease (increase) in: 7,205,359 1,520,891 1,520,535 Inventories 33,253 1,604,322 1,729,359 Prepaid taxes and other current assets (1,133,878) (471,765) Increase (decrease) in: 4,520,891 1,327,505 Accounts payable and accrued expenses 1,520,891 1,327,505 Other taxes payable 61,171 (170,901) Increase (decrease) in: (2,171	CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation and amortization 558,992 531,018 Retirement expense 97,865 92,600 Accounts payable and accrued expenses 60,015 52,610 Net unrealized foreign exchange loss 4,712 3,259 Gain on disposal/ retirement of noncurrent assets - net - (363) (42,087) Gain on lease modification (3,954) - (1,740) Interest income (617,645) (645,308) Gain on lease modification (3,954) - (1,740) Interest income (617,645) (645,308) Gain on lease modification (617,645) (645,308) (645,308) Gain on lease modification (617,645) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (645,308) (647,645) (645,308) (647,645) (647,6		P8,422,883	P7,215,370
Retirement expense			
Accounts payable and accrued expenses 60,015 52,610 Net unrealized foreign exchange loss 4,712 3,259 Gain on disposal/ retirement of noncurrent assets - net - (363) Net derivative gain (12,426) (42,087) Gain on lease modification (3,954) - (1,740) Interest income (617,645) (645,308) Operating income before working capital changes 8,510,442 7,205,359 Decrease (increase) in: Trade and other receivables 53,517 (95,745) Inventories 33,253 1,604,322 Prepaid taxes and other current assets (1,133,878) (471,765) Inventories 33,253 1,604,322 Prepaid taxes and other current assets (1,133,878) (471,765) Increase (decrease) in: Accounts payable and accrued expenses 1,520,891 1,327,505 Other taxes payable 61,171 (170,901) Cash generated from operations 9,045,396 9,398,775 Contribution to retirement plan (245,206) (149,826) Increase payable and other financing charges paid (15,704) (55,097) Contribution to retirement plan (245,206) (149,826) Income taxes paid (1,475,015) (1,309,721) Net cash flows provided by operating activities 7,309,471 7,884,131 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 613,231 642,821 Proceeds from disposal of property, plant and equipment 4 403 Additions to property, plant and equipment 9,1094 (50,128) Net cash flows used in investing activities (35,347) (263,427) CASH FLOWS FROM FINANCING ACTIVITIES Interest (3,287) (3,023) Loans payable - (1,000,000) Cash dividends (3,324,127) (2,360,657) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (4,728) (3,264) NET INCREASE IN CASH AND CASH EQUIVALENTS (4,728) (3,264)		558,992	531,018
Net unrealized foreign exchange loss			92,600
Cash on disposal/ retirement of noncurrent assets - net (363) Net derivative gain (12,426) (42,087) Gain on lease modification (3,954) - (1,740) Write-down of inventories to net realizable value (617,645) (664,5308) Operating income before working capital changes 8,510,442 7,205,359 Decrease (increase) in: (95,745) Inventories (33,253 1,604,922 Prepaid taxes and other current assets (1,133,878) (471,765) Increase (decrease) in: Accounts payable and accrued expenses 1,520,891 1,327,505 Other taxes payable (1,171 (170,901) Cash generated from operations 9,045,396 9,398,775 Interest expense and other financing charges paid (15,704) (55,097) Contribution to retirement plan (245,206) (149,826) Income taxes paid (1,475,015) (1,309,721) Net cash flows provided by operating activities 7,309,471 7,884,131 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 613,231 642,821 Proceeds from disposal of property, plant and equipment (638,484) (856,523) Increase in other noncurrent assets (10,094) (50,128) Net cash flows used in investing activities (35,347) (263,427) CASH FLOWS FROM FINANCING ACTIVITIES Principal (23,358) (23,091) Interest (3,287) (3,023) Loans payable - (1,000,000) Cash dividends (3,324,127) (2,360,657) Net cash flows used in financing activities (3,350,772) (3,086,771) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (4,728) (3,284) CASH AND CASH EQUIVALENTS (4,728) (3,286) CASH AND CASH EQUIVALENTS (4,728) (3,286) CASH AND CASH EQUIVALENTS (4,728) (3,981,018)	Accounts payable and accrued expenses	60,015	52,610
Cash on disposal/ retirement of noncurrent assets - net (363) Net derivative gain (12,426) (42,087) Gain on lease modification (3,954) - (1,740) Write-down of inventories to net realizable value (617,645) (664,5308) Operating income before working capital changes 8,510,442 7,205,359 Decrease (increase) in: (95,745) Inventories (33,253 1,604,922 Prepaid taxes and other current assets (1,133,878) (471,765) Increase (decrease) in: Accounts payable and accrued expenses 1,520,891 1,327,505 Other taxes payable (1,171 (170,901) Cash generated from operations 9,045,396 9,398,775 Interest expense and other financing charges paid (15,704) (55,097) Contribution to retirement plan (245,206) (149,826) Income taxes paid (1,475,015) (1,309,721) Net cash flows provided by operating activities 7,309,471 7,884,131 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 613,231 642,821 Proceeds from disposal of property, plant and equipment (638,484) (856,523) Increase in other noncurrent assets (10,094) (50,128) Net cash flows used in investing activities (35,347) (263,427) CASH FLOWS FROM FINANCING ACTIVITIES Principal (23,358) (23,091) Interest (3,287) (3,023) Loans payable - (1,000,000) Cash dividends (3,324,127) (2,360,657) Net cash flows used in financing activities (3,350,772) (3,086,771) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (4,728) (3,284) CASH AND CASH EQUIVALENTS (4,728) (3,286) CASH AND CASH EQUIVALENTS (4,728) (3,286) CASH AND CASH EQUIVALENTS (4,728) (3,981,018)	Net unrealized foreign exchange loss	4,712	3.259
Net derivative gain (12,426) (42,087) Gain on lease modification (3,954) - (1,740) Write-down of inventories to net realizable value Interest income (617,645) (645,308) (645,308) Operating income before working capital changes 8,510,442 7,205,359 7,205,359 Decrease (increase) in: Trade and other receivables 33,253 1,604,322 1,604,322 1,777,765 (471,765) (1,776) 1,777,765 1,77	Gain on disposal/ retirement of noncurrent assets - net		
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Mrite-down of inventories to net realizable value	Gain on lease modification		-
Interest income	Write-down of inventories to net realizable value		(1,740)
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Inventories	Trade and other receivables	53,517	(95,745)
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Other taxes payable 61,171 (170,901) Cash generated from operations 9,045,396 9,398,775 Interest expense and other financing charges paid (15,704) (55,097) Contribution to retirement plan (245,206) (149,826) Income taxes paid (1,475,015) (1,309,721) Net cash flows provided by operating activities 7,309,471 7,884,131 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 613,231 642,821 Proceeds from disposal of property, plant and equipment - 403 Additions to property, plant and equipment - 403 Additions to property, plant and equipment (638,484) (856,523) Increase in other noncurrent assets (10,094) (50,128) Net cash flows used in investing activities (35,347) (263,427) CASH FLOWS FROM FINANCING ACTIVITIES Frincipal (23,358) (23,091) Interest (3,287) (3,023) Lease liabilities: (23,358) (23,091) Principal (23,358) (23,091) Interest (3,324,1	Accounts payable and accrued expenses	1,520,891	1,327,505
Cash generated from operations 9,045,396 9,398,775 Interest expense and other financing charges paid (15,704) (55,097) Contribution to retirement plan (245,206) (14,9826) Income taxes paid (1,475,015) (1,309,721) Net cash flows provided by operating activities 7,309,471 7,884,131 CASH FLOWS FROM INVESTING ACTIVITIES 613,231 642,821 Proceeds from disposal of property, plant and equipment - 403 Additions to property, plant and equipment (638,484) (856,523) Increase in other noncurrent assets (10,094) (50,128) Net cash flows used in investing activities (35,347) (263,427) CASH FLOWS FROM FINANCING ACTIVITIES 8 2 Payments of: 4 4 23,091 Interest (3,287) (3,023) Lease liabilities: 9 (1,000,000) Cash dividends (3,324,127) (2,360,657) Net cash flows used in financing activities (3,350,772) (3,386,771) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS 4,	Other taxes payable		
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	AT BEGINNING OF YEAR	11,330,931	9,881,018
AT END OF PERIOD P15,249,555 P14,111,687			
	AT END OF PERIOD	P15,249,555	P14,111,687

CERTIFIED CORRECT:

ARIEL I. VICTORIA
OIC - Chief Finance Officer

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GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES TRADE AND OTHER RECEIVABLES SEPTEMBER 30, 2025 (UNAUDITED)

(In Thousands)

TYPE OF ACCOUNTS RECEIVABLE	TOTAL	Current	< 30 days past due	30 - 60 days past due	60 - 90 days past due	Over 90 days past due
Trade Receivables Non-trade Receivables	1,556,089 902,139	1,416,342 194,147	15,837 2,528	5,940 927	2,336 815	115,634 703,722
Total	2,458,228	1,610,489	18,365	6,867	3,151	819,356
Less: Allowance for doubtful accounts	(682,567)	-	-	-	-	(682,567)
NET RECEIVABLES	1,775,661	1,610,489	18,365	6,867	3,151	136,789

CERTIFIED CORRECT:

ARIEL I. VICTORIA
OIC - Chief Finance Officer (mut

GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Per Share Data)

1. Summary of Material Accounting Policy Information

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting* and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at December 31, 2024.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on November 5, 2025.

The interim consolidated financial statements are presented in Philippine peso and all financial information are rounded off to the nearest thousand (000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of new and amendments to standards as part of Philippine Financial Reporting Standards (PFRS) Accounting Standards.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

Classification and Measurement of Financial Instruments (Amendments to PFRS 9, Financial Instruments, and PFRS 7, Financial Instruments: Disclosures). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11. This cycle of improvements contains amendments to two standards:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, Fair Value Measurement.
 - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
 - added a cross-reference to clarify that when a lessee has determined that
 a lease liability has been extinguished in accordance with PFRS 9, the
 lessee applies the requirement that the difference between the carrying
 amount of a financial liability (or part of a financial liability) extinguished or
 transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, shall be recognized in profit
 or loss; and
 - replaced the term 'their transaction price (as defined in PFRS 15, Revenue from Contracts with Customers)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, Presentation and Disclosure in Financial Statements, replaces PAS 1, Presentation of Financial Statements. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss;
 - Management-defined performance measures are disclosed in a single note to the financial statements; and
 - Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

2. Property, Plant and Equipment

Property, plant and equipment consist of:

September 30, 2025 and December 31, 2024	ber 31, 2024				Furniture,			
	Land and				Fixtures and		Capital	
	Land	Buildings and	Transportation	Machinery and	Other	Leasehold	Projects in	
	Improvements	Improvements	Equipment	Equipment	Equipment	Improvements	Progress	Total
Cost								
January 1, 2024 (Audited)	P1,258,668	P2,683,662	P476,703	P9,429,427	P910,874	P136,499	P426,418	P15,322,251
Additions	2,132	252,320	24,522	104,358	149,202	3,551	1,420,461	1,956,546
Disposals / Retirement	,	(801)	(7,546)	(17,444)	(24,182)		,	(49,973)
Reclassifications	7,291	14,662	16,422	62,860	9,845	3,447	(109,328)	5,199
December 31, 2024 (Audited)	1,268,091	2,949,843	510,101	9,579,201	1,045,739	143,497	1,737,551	17,234,023
Additions	1,511	30,194	28,141	48,967	88,611	2,315	438,745	638,484
Reclassifications	122,891	784,485	3,753	92,563	108,034	12,450	(1,124,176)	1
September 30, 2025 (Unaudited)	1,392,493	3,764,522	541,995	9,720,731	1,242,384	158,262	1,052,120	17,872,507
Accumulated Depreciation								
January 1, 2024 (Audited)	303,765	1,484,206	354,722	7,155,326	596,376	28,114		9,922,509
Depreciation	11,375	91,568	48,603	390,478	104,815	14,516	,	661,355
Disposals / Retirement		(092)	(7,546)	(17,427)	(24,182)	-		(49,915)
December 31, 2024 (Audited)	315,140	1,575,014	395,779	7,528,377	600,779	42,630	,	10,533,949
Depreciation	8,546	90,670	37,301	277,223	99,253	11,173		524,166
September 30, 2025 (Unaudited)	323,686	1,665,684	433,080	7,805,600	776,262	53,803		11,058,115
Accumulated Impairment Losses								
December 31, 2024								
and September 30, 2025		,		307,600		ć		307,600
Carrying Amount								
December 31, 2024 (Audited)	P952,951	P1,374,829	P114,322	P1,743,224	P368,730	P100,867	P1,737,551	P6,392,474
September 30, 2025 (Unaudited)	P1,068,807	P2,098,838	P108,915	P1,607,531	P466,122	P104,459	P1,052,120	P6,506,792

3. Related Party Disclosure

The Group, certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Group requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at September 30, 2025 and December 31, 2024:

	Year	Revenue from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Ultimate Parent Company	2025 2024	P -	P -	P - 5	P :	On demand; non-interest bearing	Unsecured; no impairment
Intermediate Parent Company**	2025 2024	146,312 12,783	246,975 271,038	105,627 10,939	18,427 19,441	On demand; non-interest bearing	Unsecured; no impairment
Parent Company***	2025 2024	145 150	:	44 7	:	On demand; non-interest bearing	Unsecured; no impairment
Under Common Control	2025 2024	78,444 240,719	6,893,746 9,282,037	86,379 129,036	1,157,744 1,393,266	On demand; non-interest bearing	Unsecured; with impairment
Joint Venture	2025 2024	14,431 13,091		28	5,346	On demand; Interest bearing	Unsecured; with impairment
Associate of the intermediate Parent Company	2025 2024	84,095 111,897		1,505,145 1,500,104	÷	5 to 7 years interest bearing On demand; non-interest bearing	Unsecured; no impairment
Others	2025 2024	222		59 1,101	:	On demand; non-interest bearing	Unsecured; no impairment
Total	2025	P323,427	P7,140,721	P1,697,281	P1,176,171		
Total	2024	P378,862	P9,553,075	P1,641,192	P1,418,053		

^{*}Top Frontier Investment Holdings, Inc. (TF) is the Ultimate Parent Company of the Group.

- Amounts owed by related parties consist of current and noncurrent receivables.
- b. The amounts owed by joint venture pertains to receivables from Thai San Miguel Liquor Company Limited (TSML) and are included as part of "Non-trade receivables from related parties" under "Trade and other receivables - net" account in the consolidated statement of financial position. Allowance for impairment losses pertaining to these receivables amounted to P540,216 as at September 30, 2025.
- c. Amounts owed by related party include investments in debt instruments at amortized cost to Bank of Commerce amounting to a total of P1,500,000 which bear an annual average interest rate of 6.90% and maturities up to seven years.
- d. Amounts owed to related parties consist of trade payables and lease liabilities.

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, *Related Party Disclosures*, but with whom GSMI or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

[&]quot;San Miguel Corporation (SMC) is the Intermediate Parent Company of the Group.

^{***}San Miguel Food and Beverage, Inc. (SMFB) is the Parent Company of the Group.

4. Basic and Diluted Earnings Per Share (EPS)

Basic and Diluted EPS is computed as follows:

	Septen	nber 30
	2025	2024
Net income available to common shares (a) Weighted average number of common shares	P6,347,018	P5,441,432
outstanding (in thousands) - basic and diluted (b)	286,328	286,328
Basic and Diluted Earnings Per Share (a/b)	P22.17	P19.00

5. Cash Dividends

The BOD approved the declaration and payment of the following cash dividends to common stockholders as follows:

2025

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common - regular	March 5, 2025	March 20, 2025	April 4, 2025	P2.50
	April 30, 2025	May 30, 2025	June 6, 2025	2.50
	August 6, 2025	August 20, 2025	September 5, 2025	2.50
Common - special	March 5, 2025	March 20, 2025	April 4, 2025	1.50
	April 30, 2025	May 30, 2025	June 6, 2025	1.50
	August 6, 2025	August 20, 2025	September 5, 2025	1.50

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Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common - regular	March 6, 2024	March 21, 2024	April 11, 2024	P0.75
	April 30, 2024	May 17, 2024	June 7, 2024	1.50
	August 6, 2024	August 22, 2024	September 6, 2024	1.50
Common - special	March 6, 2024	March 21, 2024	April 11, 2024	1.75
	April 30, 2024	May 17, 2024	June 7, 2024	1.50
	August 6, 2024	August 22, 2024	September 6, 2024	1.50

6. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Market Risk (Interest Rate Risk and Foreign Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, investment in debt instruments at amortized cost and derivative instruments. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables and deposits, accounts payable and accrued expenses and lease liabilities arise directly from and are used to facilitate its daily operations.

The BOD oversees that a sound enterprise risk management framework is in place to effectively identify, monitor, assess and manage key business risks, which will guide the BOD in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee (the "Committee") to, among others, enhance its oversight capability over the Group's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations; and be responsible for the oversight of the Group's enterprise risk management system to ensure its functionality and effectiveness.

The Committee also has the responsibility to assist the BOD in ensuring that there is an effective and integrated risk management process in place to guide the BOD in arriving at well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities. In relation to this, the Committee has the following duties and responsibilities, among others: a) develop a formal enterprise risk management plan which contains common language or register of risks, well-defined risk management goals, objectives and oversight, uniform processes of assessing risks and developing strategies to manage prioritized risks, designing and implementing risk management strategies, and continuing assessments to improve risk strategies, processes and measures; b) oversee the implementation of the enterprise risk management plan; c) evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness; d) advise the BOD on its risk appetite levels and risk tolerance limits; and e) review at least annually the Group's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Group.

Internal Audit assists the Committee in its oversight role. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates to investment securities. Investment securities acquired expose the Group to fair value interest rate risk. On the other hand, investment securities acquired at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. The management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

Interest Rate Risk Table

The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

September 30, 2025	<1 Year	1 - 2 Years	>2 - 3 Years	>3 - 4 Years	>4 - 7 Years
Financial Asset Investment in debt instruments at					
amortized cost	Р-	Р-	Р-	Р-	P1,500,000
Interest rate			•		6.90%
		1 - 2	>2 - 3	>3 - 4	
December 31, 2024	<1 Year	Years	Years	Years	>4 - 7 Years
Financial Asset					
Investment in debt instruments at					
amortized cost	P -	P -	P -	P -	P1,500,000
Interest rate		-	-	-	6.90%

Foreign Currency Risk

The functional currency is the Philippine peso, which is the denomination of the bulk of the Group's revenues. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity.

Information on the Group's foreign currency-denominated monetary assets and their Philippine peso equivalents is as follows:

	Septemb	er 30, 2025	Decemb	er 31, 2024
	US	Peso	US	Peso
	Dollar	Equivalent	Dollar	Equivalent
Cash and cash equivalents	\$1,193	P69,400	\$3,386	P195,842
Trade and other receivables	20	1,154	585	33,855
Foreign currency- denominated monetary				
assets	\$1,213	P70,554	\$3,971	P229,697

The Group reported net gain (loss) on foreign exchange amounting to (P14,339) and P13,928 for the periods ended September 30, 2025 and 2024, respectively, with the translation of its foreign currency-denominated assets. These mainly resulted from the movements of the Philippine peso against the United States (US) dollar as shown in the following table:

	US Dollar to Philippine Peso
September 30, 2025	58.196
December 31, 2024	57.845
September 30, 2024	56.030
December 31, 2023	55.370

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets) and the Group's equity.

	P1 Decrease US Dollar Excha		P1 Increase US Dollar Exch	
September 30, 2025	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
Cash and cash equivalents Trade and other	(P1,193)	(P895)	P1,193	P895
receivables	(20)	(15)	20	15
	(P1,213)	(P910)	P1,213	P910

	P1 Decrease US Dollar Excha		P1 Increase US Dollar Excha	
December 31, 2024	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
Cash and cash equivalents Trade and other	(P3,386)	(P2,540)	P3,386	P2,540
receivables	(585)	(439)	585	439
	(P3,971)	(P2,979)	P3,971	P2,979

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; c) to be able to access funding when needed at the least possible cost; and d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

September 30, 2025	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P15,249,555	P15,249,555	P15,249,555	Р-	Р-	Р-
Trade and other receivables						
- net*	1,775,661	1,775,661	1,775,661			-
Lease receivable (included under "Other noncurrent						
assets - net" account)	277	277		277		
Derivative assets (included under "Prepaid expenses and other current assets"						
account)	4,139	4,139	4,139	-	-	-
Investment in debt						
instruments at amortized						
cost	1,500,000	1,751,253	25,575	87,686	1,637,992	-
Security deposit (included under "Other noncurrent						
assets - net" accounts)	493	493	-	493	-	-
Financial Liabilities						
Accounts payable and accrued expenses (excluding derivative liabilities, deferred rent						
income** and payable to	7 007 000	7 007 000	7 007 000			
a government agency***) Derivative liabilities (included under "Accounts payable and accrued expenses"	7,237,289	7,237,289	7,237,289	•	•	•
account)	44,696	44,696	44,696			
Lease liabilities (including	11,000	44,000	11,000		_	-
current portion)	51,475	57,659	32,800	9,624	11,095	4,140
*Excluding tax certificate race					11,000	7,140

^{*}Excluding tax certificate receivables amounted to P74,388 as at September 30, 2025.
**Deferred rent income amounted to P7,862 as at September 30, 2025.
***Payable to a government agency amounted to P253 as at September 30, 2025.

D	Carrying	Contractual	1 Year	> 1 Year -	> 2 Years -	Over
December 31, 2024	Amount	Cash Flow	or Less	2 Years	5 Years	5 Years
Financial Assets						
Cash and cash equivalents	P11,330,931	P11,330,931	P11,330,931	P -	P -	P -
Trade and other receivables						
- net*	1,830,717	1,830,717	1,830,717	-	-	-
Lease receivable (included under "Other noncurrent						
assets - net" account)	279	279		279		
Derivative assets (included under "Prepaid expenses and other current assets"						
account)	9,158	9,158	9.158	-	-	-
Investment in debt instruments at amortized	100					
cost	1,500,000	1,817,020	3,654	87,687	1.408.135	317.544
Security deposit (included under "Other noncurrent						
assets - net" accounts)	493	493	-	493	-	-
Financial Liabilities						
Accounts payable and accrued expenses (excluding derivative liabilities, deferred rent income** and payable to						
a government agency***)	5,652,349	5,652,349	5,652,349	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses"	1					
account)	5,034	5,034	5,034	-	-	-
Lease liabilities (including						
current portion)	71,734	81,533	36,264	23,695	14,470	7,104

^{*}Excluding tax certificate receivables amounted to P68,419 as at December 31, 2024.
**Deferred rent income amounted to P8,886 as at December 31, 2024.
***Payable to a government agency amounted to P161 as at December 31, 2024.

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of the Group's customer base.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprised of the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Group.

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets were determined as follows:

- High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents and investment in debt instruments at amortized cost and derivative assets.
- Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables, lease receivable and security deposit.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	September 30, 2025	December 31, 2024
Cash and cash equivalents*	P15,246,601	P11,327,421
Trade and other receivables - net**	1,775,661	1,830,717
Lease receivable	277	279
Investment in debt instruments at		
amortized cost	1,500,000	1,500,000
Derivative assets	4,139	9,158
Security deposit	493	493
	P18,527,171	P14,668,068

^{*}Excluding cash on hand amounted to P2,954 and P3,510 as at September 30, 2025 and December 31, 2024, respectively.

**Excluding tax certificate receivables amounted to P74,388 and P68,419 as at September 30, 2025 and December 31, 2024, respectively.

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month expected credit loss (ECL) or lifetime ECL. Assets that are credit-impaired are separately presented.

		Sep	tember 30, 202	5	
	Financial A	Assets at Amorti	zed Cost		
		Lifetime	Lifetime		
		ECL	ECL	Financial	
	12-month	not Credit	Credit	Assets	
	ECL	Impaired	Impaired	at FVPL	Total
Cash and cash equivalents					
(excluding cash on hand)*	P15,246,601	Р -	Р-	Р-	P15,246,601
Trade and other receivables**		1,775,661	682,567	-	2,458,228
Lease receivable	-	277			277
Derivative assets	-	-	-	4,139	4,139
Investment in debt					
instruments at amortized					
cost	1,500,000				1,500,000
Security deposit		493	-		493

^{*} Cash on hand amounted to P2,954 as at September 30, 2025.

^{**}Excluding tax certificate receivables amounted to P74,388 as at September 30, 2025.

		1	December 31, 2024	4	
	Financial A	Assets at Amo	rtized Cost		
		Lifetime			
		ECL	Lifetime ECL	Financial	
	12-month	not Credit	Credit	Assets	
	ECL	Impaired	Impaired	at FVPL	Total
Cash and cash equivalents					
(excluding cash on hand)*	P11,327,421	P -	P -	P -	P11,327,421
Trade and other receivables**		1,830,717	682,567	-	2,513,284
Lease receivable	-	279	-	-	279
Derivative assets	-	-	-	9,158	9,158
Investment in debt instruments at amortized					
cost	1,500,000	-	-	-	1,500,000
Security deposit	-	493	-		493

^{*}Cash on hand amounted to P3,510 as at December 31, 2024.

^{**}Excluding tax certificate receivables amounted to P68,419 as at December 31, 2024.

The aging of receivables is as follows:

September 30, 2025	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current Past due:	P1,416,077	P183,457	P10,955	P1,610,489
1 - 30 days	15,642	166	2,557	18,365
31 - 60 days	5,000	316	1,551	6,867
61 - 90 days	2,038	229	884	3,151
Over 90 days	6,845	41,617	770,894	819,356
	P1,445,602	P225,785	P786,841	P2,458,228
December 31, 2024	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current Past due:	P1,398,872	P92,396	P66,189	P1,557,457
1 - 30 days	231,719	369	4,342	236,430
31 - 60 days	3,816	1,062	3,100	7,978
61 - 90 days	968	267	12,380	13,615
Over 90 days	4,480	23,401	669,923	697,804

Various collaterals for trade receivables such as bank guarantees and time deposit are held by the Group for certain credit limits.

P117,495

P755,934

P2,513,284

P1,639,855

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible based on historical payment behavior and analyses of the underlying customer credit ratings.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period. There are no significant changes in the credit quality of the counterparties during the period.

The Group's cash and cash equivalents, derivative assets and investment in debt instruments at amortized cost are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties.

The Group does not execute any credit guarantee in favor of any counterparty.

Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

The Group defines capital as paid-in capital stock, additional paid-in capital and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and equity reserves are excluded from capital for purposes of capital management.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

7. Financial Assets and Financial Liabilities

Recognition and Initial Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset (unless a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at fair value through profit or loss (FVPL), includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

The Group has no financial assets at FVOCI as at September 30, 2025 and December 31, 2024.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

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

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statements of income when the financial asset is derecognized, modified or impaired.

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, lease receivable and security deposit are included under this category.

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income.

The Group's derivative assets that are not designated as cash flow hedge are classified under this category.

Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and financial liabilities at amortized costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial Liabilities at FVPL. Financial liabilities are classified under this category through the fair value option. Derivative instruments (including embedded derivatives) with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective accounting hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category.

Financial Liabilities at amortized costs. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial recognition, financial liabilities at amortized costs are measured using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense and other financing charges" account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group's liabilities arising from its trade transactions or borrowings such as accounts payable and accrued expenses, long-term debt and lease liabilities are included under this category.

Impairment of Financial Assets

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECLs for receivables that do not contain significant financing component. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

The table below presents a comparison by category of carrying amounts and fair values of the Group's financial instruments:

	Septemb	er 30, 2025	Decemb	er 31, 2024
	Carrying		Carrying	
	Amount	Fair Value	Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P15,249,555	P15,249,555	P11,330,931	P11,330,931
Trade and other receivables - net*	1,775,661	1,775,661	1,830,717	1,830,717
Derivative assets (included under "Prepaid				
expenses and other current assets" account)	4,139	4,139	9,158	9,158
Investment in debt instruments at amortized				
cost	1,500,000	1,500,000	1,500,000	1,500,000
Security deposit	493	493	493	493
Lease receivable	277	277	279	279
Financial Liabilities				
Accounts payable and accrued expenses				
(excluding derivative liabilities, deferred rent				
income** and payable to a government				
agency***)	7,237,289	7,237,289	5,652,349	5,652,349
Derivative liabilities (included under	.,==.,===	.,,	-,,-	-,,-
"Accounts payable and accrued expenses"				
account)	44,696	44,696	5,034	5,034
Excluding tax certificate receivables amounte	d to P74.388 ar	d P68.419 as	at September	30. 2025 and

^{*}Excluding tax certificate receivables amounted to P74,388 and P68,419 as at September 30, 2025 and December 31, 2024, respectively.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables, Investment in Debt Instruments at Amortized Cost and Security Deposit. The carrying amount of cash and cash equivalents and trade and other receivables approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of investment in debt instruments at amortized cost and security deposit, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

^{**}Deferred rent income amounted to P7,862 and P8,886 as at September 30, 2025 and December 31, 2024, respectively.

^{***}Payable to government agency amounted to P253 and P161 as at September 30, 2025 and December 31, 2024

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. Fair values for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

Accounts Payable and Accrued Expenses. The carrying amount of accounts payable and accrued expenses approximates fair value due to the relatively short-term maturities of these financial instruments.

Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of embedded derivative financial instruments are discussed below.

Derivative Instruments not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include embedded derivatives found in host contracts, which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Embedded Currency Forwards

The total outstanding notional amount of currency forwards embedded in non-financial contracts amounted to US\$35,903, US\$33,261 and US\$19,441 as at September 30, 2025, June 30, 2025 and December 31, 2024, respectively. These non-financial contracts consist mainly of foreign currency denominated purchase orders and sales agreements. The embedded forwards are not clearly and closely related to their respective host contracts. The net fair value of these embedded currency forwards amounted to (P40,557), P39,005 and P4,124 as at September 30, 2025, June 30, 2025 and December 31, 2024, respectively.

The Group recognized marked-to-market gains (losses) from embedded derivatives amounting to P12,426 and P42,087, P86,803 and (P72,426) for the periods ended September 30, 2025 and 2024 and June 30, 2025 and 2024, respectively.

Fair Value Measurements

The Group measures a number of financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for asset or liability. The principal or most advantageous market must be accessible to the Group.

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

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of the fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The Group's derivative assets and derivative liabilities amounting to P4,139 and (P44,696), respectively as at September 30, 2025, and P9,158 and (P5,034), respectively as at December 31, 2024, are valued based on Level 2. The Group has no financial instruments valued based on Level 1 and Level 3. During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

8. Other Matters

- a. There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.
- b. There were no material changes in estimates of amounts reported in prior financial years.
- c. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity.
- d. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operation.
- e. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets since the last annual reporting date. No material contingencies and any other events or transactions exist that are material to an understanding of the current interim period.
- f. The effects of seasonality or cyclicality on the interim operations of the Group's businesses are not material.

- g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period, except for the outstanding derivative transactions entered by the Group as at September 30, 2025.
- h. The Group's material commitments for capital expenditure projects have been approved during the current year but are still ongoing and not yet completed as at September 30, 2025. These consist of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business. The said projects will be carried forward to next quarter until its completion. The fund to be used for these projects will come from available cash from operations.

9. Event After the Reporting Date

Declaration of Cash Dividends

On November 5, 2025, the BOD approved the declaration of regular and special cash dividends to all common shareholders of record as of November 20, 2025 amounting to P2.50 and P1.50 per common share, respectively. Cash dividends for common shares, both regular and special are payable on December 5, 2025.

GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of Ginebra San Miguel Inc. ("the Parent Company") and its subsidiaries (collectively referred to as the "Group") as of and for the period ended September 30, 2025 (with comparative figures as of December 31, 2024 and for the period ended September 30, 2024). All necessary adjustments to present fairly the consolidated financial position, financial performance, and cash flows of the Group as of September 30, 2025, and for all the other periods presented, have been made. Certain information and footnote disclosures normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.

I. FINANCIAL PERFORMANCE

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

	Septe	mber	Horizonta Increase (I	l Analysis Decrease)	Vertical A	Analysis
	2025	2024	Amount	Percentage	2025	2024
	(In Thou	isands)				
Sales	P48,663,334	P45,561,720	P3,101,614	7%	100%	100%
Cost of Sales	35,808,891	34,385,960	1,422,931	4%	74%	75%
Gross Profit	12,854,443	11,175,760	1,678,683	15%	26%	25%
Selling and Marketing Expenses	(3,210,628)	(2,958,883)	(251,745)	9%	(7%)	(6%)
General and Administrative Expenses	(2,134,772)	(1,880,672)	(254,100)	14%	(4%)	(4%)
Interest Expense and Other Financing Charges	(60,015)	(52,610)	(7,405)	14%	0%	0%
Gain on Disposal / Retirement of Noncurrent Assets	*	363	(363)	(100%)	0%	0%
Interest Income	617,645	645,308	(27,663)	(4%)	1%	1%
Other Income - Net	356,210	286,104	70,106	25%	1%	0%
Income Before Income Tax	8,422,883	7,215,370	1,207,513	17%	17%	16%
Income Tax Expense	2,075,865	1,773,938	301,927	17%	4%	4%
Net Income	P6,347,018	P5,441,432	P905,586	17%	13%	12%

The Group posted consolidated revenues of P48,663 million, marking a 7% year-on-year increase, primarily driven by higher selling prices. As a result, gross profit rose to P12,854 million, reflecting a 15% increase compared to the same period last year.

Selling and administrative expenses increased by 10%, from P4,840 million to P5,345 million, primarily due to higher costs related to advertising and promotions, as well as other administrative items.

Interest expense and other financing charges increased by 14%, from P53 million to P60 million, mainly due to interest costs associated with long-term employee benefit obligations, and bank charges.

Gain on disposal or retirement of noncurrent assets was nil, in contrast to the prior year's net gain of P363 thousand.

Other income increased from P286 million to P356 million, primarily driven by net tolling revenues.

Consolidated net income for the nine-month period reached P6,347 million, representing a 17% increase compared to the P5,441 million recorded during the same period last year.

Nine months ended September 30, 2024 compared to nine months ended September 30, 2023

	Septe	mber	Horizontal Analysis Increase (Decrease)		Analysis	
	2024	2023	Amount	Percentage	2024	2023
	(In Thou	sands)				
Sales	P45,561,720	P38,915,438	P6,646,282	17%	100%	100%
Cost of Sales	34,385,960	29,453,333	4,932,627	17%	75%	76%
Gross Profit	11,175,760	9,462,105	1,713,655	18%	25%	24%
Selling and Marketing Expenses	(2,958,883)	(2,621,795)	(337,088)	13%	(6%)	(7%)
General and Administrative Expenses	(1,880,672)	(1,806,356)	(74,316)	4%	(4%)	(5%)
Interest Expense and Other Financing Charges	(52,610)	(51,824)	(786)	2%	0%	0%
Gain on Disposal / Retirement of Noncurrent Assets	363	497	(134)	(27%)	0%	0%
Interest Income	645,308	371,332	273,976	74%	1%	1%
Other Income - Net	286,104	1,944,771	(1,658,667)	(85%)	0%	6%
Income Before Income Tax	7,215,370	7,298,730	(83,360)	(1%)	16%	19%
Income Tax Expense	1,773,938	1,807,951	(34,013)	(2%)	4%	5%
Net Income	P5,441,432	P5,490,779	(P49,347)	(1%)	12%	14%

At the close of the 3rd quarter in 2024, the Group achieved consolidated revenues of P45,562, higher by 17% versus last year, mainly driven by both volume growth and price increase. As a result, gross profit of P11,176 is 18% above as compared to same period last year.

Selling and Marketing expenses rose by 13% or P2,959 million, caused by the increased costs for delivery and handling, advertising, and promotion.

Interest income surged to P645 million, marking a 75% increase, due to higher earnings from the Group's money market placements.

The decline to P286 million in Other Income – Net was primarily due to last year's one-time income from the transfer of rights of Don Papa products.

The Group's consolidated income of P5,441 million is nearly at par with last year's level of P5,491 million, falling short by only 1%.

II. FINANCIAL POSITION

Financial Position as of September 30, 2025 vs December 31, 2024

	September	December	Horizonta Increase (I		Ver Ana	tical ysis
	2025	2024	Amount	Percentage	2025	2024
	(In Thou	sands)				
ASSETS						
Current Assets						
Cash and cash equivalents	P15,249,555	P11,330,931	P3,918,624	35%	43%	37%
Trade and other receivables - net	1,850,049	1,899,136	(49,087)		5%	6%
Inventories	7,695,930	7,606,929	89,001	1%	22%	25%
Prepaid expenses and other current assets	1,644,575	892,247	752,328	84%	5%	3%
Total Current Assets	26,440,109	21,729,243	4,710,866	22%	75%	71%
Noncurrent Assets						
Investment in debt instruments at						
amortized cost	1,500,000	1,500,000	-	0%	5%	5%
Property, plant and equipment - net	6,506,792	6,392,474	114,318	2%	18%	21%
Right-of-use assets - net	47,803	65,532	(17,729)		0%	0%
Goodwill - net	126,863	126,863	-	0%	0%	1%
Deferred tax assets - net	609,657	625,092	(15,435)) (2%)	2%	2%
Other noncurrent assets - net	93,438	93,389	49	0%	0%	0%
Total Noncurrent Assets	8,884,553	8,803,350	81,203	1%	25%	29%
Total Hollodifelit Associa						
	P35,324,662	P30,532,593	P4,792,069	16%	100%	100%
LIABILITIES AND EQUITY Current Liabilities					21%	
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses	P7,290,100	P5,666,430	1,623,670	29%		19%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable	P7,290,100 2,085,672	P5,666,430 1,808,095	1,623,670 277,577	29% 15%	21% 6%	19% 6%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses	P7,290,100	P5,666,430	1,623,670	29% 15%) (6%)	21%	19% 6% 0% 25%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities	P7,290,100 2,085,672 30,248	P5,666,430 1,808,095 32,108	1,623,670 277,577 (1,860	29% 15%) (6%)	21% 6% 0%	19% 6% 0%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities	P7,290,100 2,085,672 30,248 9,406,020	P5,666,430 1,808,095 32,108 7,506,633	1,623,670 277,577 (1,860	29% 15%) (6%)	21% 6% 0% 27%	19% 6% 0% 25%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities	P7,290,100 2,085,672 30,248 9,406,020	P5,666,430 1,808,095 32,108 7,506,633	1,623,670 277,577 (1,860 1,899,387	29% 15%) (6%) 25%	21% 6% 0% 27%	19% 6% 0% 25%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities Lease liabilities - net of current portion	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626	1,623,670 277,577 (1,860 1,899,387	29% 15%) (6%) 25% 0%) (46%)	21% 6% 0% 27%	19% 6% 0% 25% 3%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities	P7,290,100 2,085,672 30,248 9,406,020	P5,666,430 1,808,095 32,108 7,506,633	1,623,670 277,577 (1,860 1,899,387	29% 15%) (6%) 25% 0%) (46%)	21% 6% 0% 27% 3% 0%	19% 6% 0% 25% 3% 0% 3%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities Lease liabilities - net of current portion Total Noncurrent Liabilities	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464	1,623,670 277,577 (1,860 1,899,387	29% 15%) (6%) 25% 0%) (46%)	21% 6% 0% 27% 3% 0% 3%	19% 6% 0% 25% 3% 0% 3%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities Lease liabilities - net of current portion	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464	1,623,670 277,577 (1,860 1,899,387	29% 15%) (6%) 25% 0%) (46%)	21% 6% 0% 27% 3% 0% 3% 30%	19% 6% 0% 25% 3% 0% 39 28%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities Lease liabilities - net of current portion Total Noncurrent Liabilities	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065 10,473,085	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464 8,592,097	1,623,670 277,577 (1,860 1,899,387	29% 15%) (6%) 25% 0%) (46%)) (2%)	21% 6% 0% 27% 3% 0% 30%	19% 6% 0% 25% 3% 0% 39 28%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities Lease liabilities - net of current portion Total Noncurrent Liabilities Equity Capital stock Additional paid-in capital	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065 10,473,085	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464 8,592,097	1,623,670 277,577 (1,860 1,899,387 - (18,399 (18,399 1,880,988	29% 15%) (6%) 25% 0%) (46%)) (2%) 22%	21% 6% 0% 27% 3% 0% 30%	19% 6% 0% 25% 3% 0% 38%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities Lease liabilities - net of current portion Total Noncurrent Liabilities Equity Capital stock Additional paid-in capital Equity reserves	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065 10,473,085	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464 8,592,097	1,623,670 277,577 (1,860 1,899,387 - (18,399 (18,399 1,880,988	29% 15%) (6%) 25% 0%) (46%)) (2%) 22%	21% 6% 0% 27% 3% 0% 30%	19% 6% 0% 25% 3% 0% 39 28%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities - net of current portion Total Noncurrent Liabilities Equity Capital stock Additional paid-in capital Equity reserves Retained earnings:	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065 10,473,085	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464 8,592,097	1,623,670 277,577 (1,860 1,899,387 - (18,399 (18,399 1,880,988	29% 15%) (6%) 25% 0%) (46%)) (2%) 22%	21% 6% 0% 27% 3% 0% 30% 1% (2%)	19% 6% 0% 25% 3% 0% 39 28%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities - net of current portion Total Noncurrent Liabilities Equity Capital stock Additional paid-in capital Equity reserves	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065 10,473,085 399,063 2,539,454 (777,643)	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464 8,592,097 399,063 2,539,454 (777,643)	1,623,670 277,577 (1,860 1,899,387 - (18,399 (18,399 1,880,988	29% 15%) (6%) 25%) (46%)) (2%) 22% 0% 0% 0%	21% 6% 0% 27% 3% 0% 30% 1% (2%)	19% 6% 0%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities Lease liabilities - net of current portion Total Noncurrent Liabilities Equity Capital stock Additional paid-in capital Equity reserves Retained earnings: Appropriated	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065 10,473,085 399,063 2,539,454 (777,643) 3,512,000	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464 8,592,097 399,063 2,539,454 (777,643) 3,512,000 19,937,595	1,623,670 277,577 (1,860 1,899,387 - (18,399 (18,399 1,880,988	29% 15%) (6%) 25%) (46%)) (2%) 22% 0% 0% 0% 0%	21% 6% 0% 27% 3% 0% 30% 1% (2%)	19% 6% 0% 25% 3% 0% 38% 28% 19 89 (3%
LIABILITIES AND EQUITY Current Liabilities Accounts payable and accrued expenses Income and other taxes payable Lease liabilities - current portion Total Current Liabilities Noncurrent Liabilities Retirement liabilities Lease liabilities - net of current portion Total Noncurrent Liabilities Equity Capital stock Additional paid-in capital Equity reserves Retained earnings: Appropriated Unappropriated	P7,290,100 2,085,672 30,248 9,406,020 1,045,838 21,227 1,067,065 10,473,085 399,063 2,539,454 (777,643) 3,512,000 22,848,676	P5,666,430 1,808,095 32,108 7,506,633 1,045,838 39,626 1,085,464 8,592,097 399,063 2,539,454 (777,643) 3,512,000 19,937,595	1,623,670 277,577 (1,860 1,899,387 - (18,399 (18,399 1,880,988	29% 15% (6%) 25% 0% (46%) (22%) 0% 0% 0% 15% 0%	21% 6% 0% 27% 3% 0% 30% 1% (2%) 10% 65% (10%)	19% 6% 0% 25% 3% 0% 38% 28% 19 89 (3% 12% 65%

The Group maintained a solid financial position, with total assets increasing to P35,325 million from P30,533 million. This growth was primarily driven by a 35% increase in cash and cash equivalents, amounting to P3,919 million, supported by strong cash sales and collection of receivables.

Prepaid expenses and other current assets grew by 84% to P1,645 million, primarily due to higher prepaid excise tax, input tax, and other prepaid expenses.

Right-of-use assets decreased by 27% to P48 million, mainly due to depreciation.

Accounts payable and accrued expenses increased by 29% to P7,290 million from P5,666 million, primarily due to higher payables.

Income and other taxes payable increased by 15% to P2,086 million from P1,808 million, driven by higher VAT and income tax payables.

Lease liabilities – current portion decreased by 6% or P1.9 million due to amortization. In addition, the decrease in the noncurrent portion is due to reclassification of lease liability to current.

Unappropriated retained earnings increased by 15%, reaching P22,849 million from P19,938 million, driven by higher net income during the period, net of dividend declarations.

Financial Position as of September 30, 2024 vs December 31, 2023

-	September	December	Horizontal Analysis Increase (Decrease)		Vert Anal	
	2024	2023	Amount	Percentage	2024	2023
	(In Thou	sands)				
ASSETS						
Current Assets						
Cash and cash equivalents	P14,111,687	P9,881,018	P4,230,669	43%	46%	36%
Trade and other receivables - net	1,676,070	1,577,836	98,234	6%	5%	6%
Inventories	6,549,591	8,083,201	(1,533,610)	(19%)	21%	29%
Prepaid expenses and other current assets	879,251	817,344	61,907	8%	3%	3%
Total Current Assets	23,216,599	20,359,399	2,857,200	14%	75%	74%
Noncurrent Assets						
Investment in debt instruments at						
amortized cost	1,500,000	1,500,000	-	0%	5%	5%
Property, plant and equipment - net	5,449,363	5,092,142	357,221	7%	18%	18%
Right-of-use assets - net	57,311	50,778	6,533	13%	0%	0%
Goodwill - net	126,863	126,863	-	0%	0%	1%
Deferred tax assets - net	558,502	562,775	(4,273)	(1%)	2%	2%
Other noncurrent assets - net	118,048	75,848	42,200	56%	0%	0%
Total Noncurrent Assets	7,810,087	7,408,406	401,681	5%	25%	26%
Total Honouron Property	P31,026,686	P27,767,805	P3,258,881		100%	
Current Liabilities Loans payable	Р.	P1.000.000	(P1 000 000)	(100%)	0%	4%
Loans payable	Р-	P1,000,000	(P1,000,000)	(100%)	0%	4%
Accounts payable and accrued expenses	7,020,590	5,694,109	1,326,481	23%	23%	21%
Income and other taxes payable	1,654,016	1,736,095	(82,079)	, ,	5%	6%
Lease liabilities - current portion	25,248	25,796	(548)		0%	0%
Total Current Liabilities	8,699,854	8,456,000	243,854	3%	28%	31%
Noncurrent Liabilities						
Retirement liabilities	880,891	880,891	-	0%	3%	3%
Lease liabilities - net of current portion	37,984	30,602	7,382	24%	0%	0%
Total Noncurrent Liabilities	918,875	911,493	7,382	1%	3%	3%
	9,618,729	9,367,493	251,236	3%	31%	34%
Equity						
Capital stock	399,063	399,063	-	0%	1%	19
Additional paid-in capital	2,539,454	2,539,454		0%	8%	9%
Equity reserves	(640,050)	(640,050)		0%	(2%)	
Retained earnings:	, , , , , , , , ,	, , , , , , , , , , , , , , , , , , , ,		55- 6-5	,/	,
Appropriated	3,512,000	3,512,000		0%	11%	12%
Unappropriated	19,267,463	16,259,818	3,007,645	18%		
Treasury stock	(3,669,973)	(3,669,973)	-		(12%)	
Total Equity	21,407,957	18,400,312	3,007,645	16%		66%
	P31,026,686	P27,767,805	P3,258,881		100%	

The Group's financial position strengthened further by the end of the 3rd quarter of 2024. Cash and cash equivalents increased significantly by 43% to P14,112 million driven by improved income and reduced working capital.

Trade and other receivables is slightly higher by 6% at P1,676 million brought by the increase in credit sales from modern trade partly offset by lower receivables from related parties.

Inventories dropped to P6,550 million or 19% lower versus December 2023 as a result of the depletion of finished goods inventory build-up.

Prepaid expenses and other current assets are up by P62 million to P879 million because of the increase in the Group's retirement plan, prepaid taxes, insurance and derivative assets, offset by lower input taxes.

Property, plant and equipment – net increased by 7% from P5,092 million to P5,449 as a result of the acquisition of new office at SMPC and the Bauan Alcohol Depot. Likewise, Right-of-use assets – net also increased by 13% from P51 million to P57 million driven by the valuation of new ROU assets.

Other noncurrent assets – net amounted to P118 million from P76 million a year ago due to the increase in advances to suppliers for construction projects.

The Group has fully settled its outstanding short-term loans.

Accounts payable and accrued expenses rose by 23% from P5,694 million last year to P7,021 this year mainly due to higher outstanding payables.

Lease liabilities – net of current portion grew by 24% or P7,382 million due to valuation of new ROU assets.

Unappropriated retained earnings reached P19,267 million, marking an 18% increase compared to the previous year, net of dividend declaration.

Equity

The increase in equity for the period ended September 30, 2025 and 2024 is due to:

	September 30		
	2025	2024	
	(In Millions)		
Income during the period	P6,347	P5,441	
Cash dividends	(3,436)	(2,434)	
	P2,911	P3,007	

III. Sources and Uses of Cash

A brief summary of cash flow movements is shown below:

	September 30	
	2025	2024
	(In Millions)	
Net cash flows provided by operating activities	P7,309	P7,884
Net cash flows used in investing activities	(35)	(263)
Net cash flows used in financing activities	(3,351)	(3,387)

Net cash flows provided by operating activities consist of income before income tax for the period and the effect of changes in current assets and certain current liabilities.

Net cash flows used in investing activities include the following:

	September 30	
	2025	2024
	(In Millions)	
Additions to property, plant and equipment	(P638)	(P856)
Increase in other noncurrent assets	(10)	(50)
Interest received	613	643

Major components of net cash flows used in financing activities are as follows:

	September 30	
	2025	2024
	(In Millions)	
Payments of:		
Short-term borrowings	P-	(P1,000)
Lease liabilities	(27)	(26)
Cash dividends	(3,324)	(2,361)

The effect of exchange rate changes on cash and cash equivalents amounted to (P4.7 million) and (P3.3 million) for the periods ended September 30, 2025 and 2024, respectively.

IV. KEY PERFORMANCE INDICATORS

The following are the major performance measures used by the Group. Analyses are employed by comparisons and measurements based on the financial data for the periods indicated below.

KPI	September 30, 2025	December 31, 2024
Liquidity:		
Current Ratio	2.81	2.89
Solvency:		
Debt to Equity Ratio	0.42	0.39
Asset to Equity Ratio	1.42	1.39
Profitability: Return on Average Equity Interest Rate Coverage Ratio	36% 166.55	36% 106.93

KPI	Period Ended September 30		
	2025	2024	
Operating Efficiency:			
Volume Growth	0.03%	10%	
Revenue Growth	7%	17%	
Operating Margin	15%	14%	

The manner by which the Group calculates the above indicators is as follows:

KPI	Formula		
Current Ratio	Current Assets Current Liabilities		
Debt to Equity Ratio	Total Liabilities (Current + Noncurrent) Equity		
Asset to Equity Ratio	Total Assets (Current + Noncurrent) Equity		
5	Net Income*		
Return on Average Equity	Average Equity		
Interest Rate Coverage Ratio	Earnings Before Interests and Taxes Interest Expense and Other Financing Charges		
Volume Growth	Sum of All Businesses' (Volume) - 1 Prior Period Volume		
Revenue Growth	(Current Period Net Sales) - 1 Prior Period Net Sales		
Operating Margin	Income from Operating Activities Net Sales		

^{*}Annualized for quarterly reporting.