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S.E.C. Registration Number

E M P E R A D O R I N C .

(Company's Full Name)

7 / F 1 8 8 0 E A S T W O O D A V E N U E ,
E A S T W O O D C I T Y C Y B E R P A R K ,
B A G U M B A Y A N , Q U E Z O N C I T Y

(Business Address: No. StreetCity/ Town/ Province)

DINA D.R. INTING

Contact Person

8709-2038 to 41

Company Telephone Number

1 2 3 1

Month Day
Fiscal Year

1 7 - Q

FORM TYPE

(QUARTERLY REPORT FOR JUNE 30, 2025)

0 5

Month Day
Annual Meeting

3rd Monday

Registration of
Securities

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended.....**June 30, 2025**
2. Commission identification number.....**A200117595**
3. BIR Tax Identification No.....**214-815-715-000**
4. Exact name of issuer as specified in its charter....**EMPERADOR INC.**
5. **METRO MANILA, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Ave.,
Bagumbayan, Quezon City** **1110**
Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code.....**632-870920-38 to -41**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding As of June 30, 2025
Common issued	16,242,391,176
Less Treasury	505,919,938
Outstanding	15,736,471,238

11. Are any or all of the securities listed on a Stock Exchange? If yes, state the name of such Stock Exchange and the class/es of securities listed therein.

Yes [☒] No [☐] **PHILIPPINE STOCK EXCHANGE, INC. Common Shares**
SINGAPORE EXCHANGE SECURITIES
TRADING LIMITED (secondary listing) Common Shares

12. Indicate by check mark whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I - FINANCIAL INFORMATION

1. Financial Statements

The following interim financial statements, notes and schedules are submitted as part of this report:

- Consolidated Statements of Financial Position
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Notes to Interim Consolidated Financial Statements
- Schedule of Financial Soundness Indicators
- Aging of Trade and Other Receivables

The interim consolidated financial statements (“ICFS”) have been prepared in accordance with the Philippine Accounting Standard 34, *Interim Financial Reporting*. As such, the ICFS do not include all of the information and disclosures required for full annual consolidated financial statements, and thus should be read in conjunction with the audited consolidated financial statements of the Group as of and for the year ended December 31, 2024 (“ACFS”). The accounting policies and methods of computations used are consistent with those applied in the ACFS. The ICFS have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The amendments to existing standards adopted by the Group effective January 1, 2025 do not have material impact on the Group’s ICFS. Accounting estimates, assumptions and judgments are used in preparing these statements; and while these are believed to be reasonable under the circumstances, actual results may ultimately differ from such estimates (see Note 3 to both the ACFS and ICFS).

Business Segments

Emperador Inc. and its subsidiaries (“the Group”) is principally a global alcoholic beverage group that is organized into two segments, the Brandy and Scotch Whisky, which represent the two major distilled spirits categories where the Group operates. The **Scotch Whisky** Segment pertains to the UK operations and the rest fall under **Brandy** Segment. The Group disaggregates revenues recognized from contracts with customers into these segments that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This same disaggregation is used in earnings releases, annual reports and investor presentations. A comprehensive list of subsidiaries, associates and joint venture can be found in Note 1 to ICFS and ACFS.

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

Five Key Performance Indicators

- Revenue growth – measures the percentage change in revenues over comparable periods
- Net profit growth – the percentage change in net profit over comparable periods
- Gross profit rate (“GPR”) – computed as percentage of gross profit [which is sales less cost of sales] to sales – gives indication of pricing, cost structure and production efficiency.
- Net profit rate (“NPR”) – computed as percentage of net profit to revenues – measures the operating efficiency and success of maintaining satisfactory control of costs

- Return on assets (“ROA”) – the ratio of net profit to total assets - measures the degree of efficiency in the use of resources to generate net profit
- Current ratio – computed as current assets divided by current liabilities – measures the ability of the business to meet its current obligations. To measure immediate liquidity, quick assets [cash, marketable securities, accounts receivables] is divided by current liabilities.
- Interest rate coverage ratio – computed as profit before tax, interest expense and depreciation and amortization (“EBITDA”) divided by interest expense - measures the business’ ability to meet its interest payments.

	H1	H1	Q2	Q2	Q1	Q1
<i>In Million Pesos</i>	2025	2024	2025	2024	2025	2024
Revenues and other income	28,199	28,644	14,993	15,521	13,206	13,123
Net profit [“NP”]	3,993	3,873	2,129	2,115	1,864	1,757
NP to owners [“NPO”]	3,943	3,806	2,092	2,068	1,851	1,738
Revenue growth	-1.6%	-7.9%	-3.4%	0	1%	-15.8%
NP growth	3.1%	-19.6%	0.7%	-14.6%	6%	-25.0%
NPO growth	3.6%	-19.6%	1.2%	-14.3%	7%	-25.0%
GPR	30.4%	33.1%	30.8%	33.4%	30.0%	32.8%
NPR	14.2%	13.5%	14.2%	13.6%	14.1%	13.4%
NPOR	14.0%	13.3%	14.0%	13.3%	14.0%	13.3%
ROA	2.4%	2.5%	1.3%	1.3%	1.2%	1.1%
EBITDA	5,949	6,132	3,082	3,256	2,867	2,876
Interest expense	808	783	395	395	413	388
Interest cover	7.36x	7.83x	7.8x	8.2x	6.9x	7.4x
	June 30, 2025	June 30, 2024			March 31, 2025	December 31, 2024
Quick assets	28,858	29,751			27,816	30,483
Current assets	84,175	83,732			80,480	82,301
Current liabilities	21,197	34,779			21,037	20,184
Total Assets	163,775	157,267			158,832	159,527
Current ratio	3.97x	2.4x			3.8x	4.1x
Quick ratio	1.36x	0.9x			1.3x	1.5x

Results of Operations – First Half 2025 vs 2024

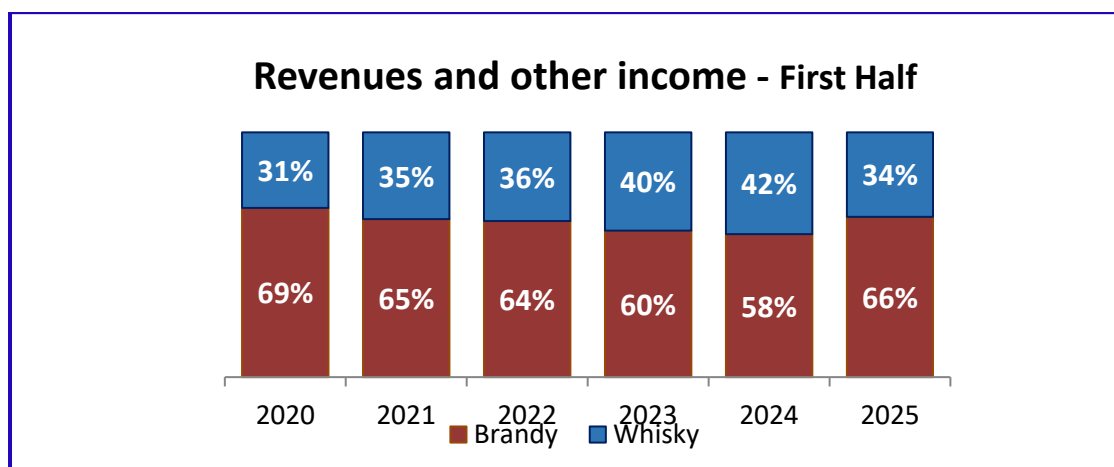
Emperador Group had a good start this year as it ended the first half of the year (“H1”) with net profit (“NP”) and NP to owners (“NPO”) growing +3% and +4% year-on-year (“YoY”) to P4.0billion and P3.9 billion, respectively, and revenues and other income easing -2% YoY to P28.2 billion over a lingering global industry slowdown. The Group advanced to the second quarter (“Q2”) with double-digit growths over the first quarter, with the topline and NP numbers respectively accelerating +14% and NPO +13% quarter-on-quarter (“QoQ”), as both the Scotch Whisky and non-Whisky segments exhibited QoQ growths.

A generally soft demand in the global beverage alcohol industry is still persisting, highlighted by the shifting spending habits and consumption patterns of consumers. High inflation continued to pressure consumers’ disposable income, leading to a growing sensitivity to price and promotional activities. The Group remained resilient with its diversified product portfolio, which covers numerous price points, its wide distribution reach in over 100 global markets, and deep range of aging liquid in its inventories. It managed to cushion the impact of the industry-wide slump.

The Group maintained a relatively healthy gross profit (“GP”) at 30% of sales (“GPR”) in the H1, as compared to 33% of a year ago, in spite of -13% drop in value YoY, amid the still high costs of inputs and impact of product sales mix. Operating expenses plus finance costs were contained at about same level as a year ago through an efficiently prudent expenditure management. With improved bottom lines YoY, the Group registered NP rate (“NPR”) and NPO rate (“NPOR”) of 14%, higher than a year ago. Lower income tax expense, due to lower taxable income, also contributed to the improved bottom lines. EBITDA amounted to P5.9 billion, keeping an EBITDA rate of 21%, same as comparable period last year. EBITDA covered interest 7times at end of H1.

By Segment

The Group is presented into two segments and the split of revenues and other income from external customers is shown below:



The Brandy Segment delivered P18.5 billion revenues and other income from external customers in H1, up +11% YoY, as Q2 topline gained traction +11% YoY and +13% QoQ. ‘Emperador’ continued to be the leading local brandy brand, with double-digit growth from ‘Fundador’ beefing up domestic sales in H1 and shows no signs of tapering. Amid the current global slowdown, the segment was able to expand its sales offshore – particularly in Africa, Canada and other European countries for the Spanish brands and in USA for the Mexican brands. ‘Tres Cepas’ accelerated its sales, particularly in Equatorial Guinea.

The segment’s GP increased +14% in value YoY, for an improved GPR of 26% versus 24% a year ago primarily due to product mix. Operating expenses were sustained at 11% of the segment’s topline, yet went up +10% YoY from increased spends in salaries and benefits, transportation, freight and handling, fuel and oil and insurance. Interest and other charges declined -14% YoY due to decreasing EURIBOR and principal base. With lower taxable income for the period, tax expense shrank YoY. After all these, NPO swelled +80% YoY to P3.1billion at the end of H1, reflecting 17% NPOR versus 10% a year ago. The segment’s EBITDA totaled P4.4 billion, giving 23% EBITDA rate, comparatively higher than 19% of a year ago. EBITDA covered external interest expense 10times.

The Scotch Whisky Segment turned over P9.7 billion revenues and other income from external customers in H1, an -18% clip YoY as the Scotch Whisky industry remained weak in most markets worldwide. While Q2 topline was still behind YoY, it went ahead +14% QoQ. In Q2, ‘Whyte&Mackay’ sales and UK sales continued climbing YoY and QoQ. The segment tracked

QoQ growth in Middle East and Africa as well. Meanwhile, Europe, Asia and USA cycled a fast start in H1 2024. The sales of single-malts in Q2 outpaced Q1 sales, yet still lagging YoY at end of H1. Nevertheless, key markets such as Taiwan have shown resilience of its demand for premium-plus malts.

The segment's GP in H1 fell -33% YoY resulting in GPR to slip to 36% versus 44% a year ago, reflective of moderating single malts' sales in the product mix. Operating expenses were scaled -8% YoY from reduced general and administrative expenditures relating to the subdued business performance. Interest expense rose YoY to P0.4 billion, from interest on additional loan drawdowns for the segment's ongoing expansion in its facilities to pave for future growth, notably incurred at a lower SONIA rate. Tax expense dropped this year as net taxable income fell as well. Consequently, NPO (same as NP) from Scotch Whisky segment amounted to P0.8 billion from P2.1 billion a year ago, reflecting 8% NPOR versus 17% a year ago. EBITDA reached P1.6 billion, giving 16% EBITDA rate versus 24% a year ago. External interest coverage over EBITDA was 4times versus an almost 12times a year ago.

Comparative results between segments are shown in the following graphs and tables. Segment Revenues presented were from external customers only.

In Million Pesos	H1 2025	H1 2024	YoY	%	Q2 2025	Q2 2024	YoY%	QoQ%	Q1 2025	Q1 2024	YoY	%
Revenue and other income ¹	28,199	28,644	(445)	(1.6%)	14,993	15,521	(3.4%)	13.5%	13,206	13,123	83	0.6%
Brandy	18,473	16,714	1,759	10.5%	9,816	8,836	11.1%	13.4%	8,657	7,878	779	9.9%
S.Wisky	9,726	11,930	(2,204)	(18.5%)	5,177	6,685	(22.6%)	13.8%	4,549	5,245	(696)	(13.3%)
Gross profit ["GP"]	8,123	9,343	(1,220)	(13.1%)	4,488	5,129	(12.5%)	23.5%	3,635	4,215	(579)	(13.7%)
Brandy	4,605	4,055	550	13.6%	2,646	2,176	21.6%	35.1%	1,958	1,880	79	4.2%
S.Wisky	3,518	5,288	(1,770)	(33.5%)	1,842	2,953	(37.6%)	9.8%	1,677	2,335	(658)	(28.2%)
NP before tax	4,387	4,597	(209)	(4.5%)	2,307	2,466	(6.5%)	10.9%	2,081	2,130	(50)	(2.3%)
Brandy	3,401	2,073	1,329	64.1%	1,797	1,046	71.7%	12.0%	1,605	1,026	578	56.4%
S.Wisky	986	2,524	(1,537)	(60.9%)	510	1,420	(64.1%)	7.2%	476	1,104	(628)	(56.9%)
Tax expense	394	724	(329)	(45.5%)	178	351	(49.4%)	(18.0%)	217	373	(156)	(41.8%)
Brandy	219	267	(47)	(17.8%)	75	83	(9.6%)	(48.1%)	145	184	(39)	(21.4%)
S.Wisky	175	457	(282)	(61.7%)	103	268	(61.7%)	42.0%	72	189	(116)	(61.7%)
NP	3,993	3,873	120	3.1%	2,129	2,115	0.7%	14.3%	1,864	1,757	106	6.0%
Brandy	3,182	1,806	1,376	76.2%	1,722	963	78.7%	17.9%	1,460	842	618	73.3%
S.Wisky	811	2,067	(1,256)	(60.8%)	407	1,152	(64.6%)	0.9%	404	915	(512)	(55.9%)
NP to owners ["NPO"]	3,943	3,806	137	3.6%	2,092	2,068	1.2%	13.0%	1,851	1,738	113	6.5%
Brandy	3,132	1,739	1,393	80.1%	1,685	916	83.8%	16.4%	1,448	823	625	75.9%
S.Wisky	811	2,067	(1,256)	(60.8%)	407	1,152	(64.6%)	0.9%	404	915	(512)	(55.9%)
EBITDA	5,949	6,132	(183)	(3.0%)	3,082	3,256	(5.4%)	7.5%	2,867	2,876	(8)	(0.3%)
Brandy	4,387	3,178	1,209	38.0%	2,280	1,598	42.7%	8.2%	2,107	1,580	526	33.3%
S.Wisky	1,563	2,954	(1,391)	(47.1%)	802	1,658	(51.7%)	5.4%	761	1,296	(535)	(41.3%)
GP rate ["GPR"] ²	30.39%	33.10%			30.75%	33.39%			29.96%	32.77%		
Brandy	26.42%	24.38%			27.46%	24.43%			25.13%	24.31%		
S.Wisky	36.50%	43.78%			36.26%	43.64%			36.77%	43.96%		
NP rate ["NPR"]	14.16%	13.52%			14.20%	13.63%			14.11%	13.39%		
Brandy	17.00%	10.59%			17.37%	10.64%			16.58%	10.54%		
S.Wisky	8.26%	17.10%			7.83%	17.00%			8.74%	17.22%		
NPO rate ["NPOR"]	13.98%	13.29%			13.95%	13.32%			14.02%	13.25%		
Brandy	16.73%	10.20%			16.99%	10.12%			16.44%	10.30%		
S.Wisky	8.26%	17.10%			7.83%	17.00%			8.74%	17.22%		
EBITDA margin	21.10%	21.41%			20.56%	20.98%			21.71%	21.91%		
Brandy	23.44%	18.65%			23.00%	17.65%			23.93%	19.78%		
S.Wisky	15.91%	24.43%			15.41%	24.48%			16.47%	24.38%		

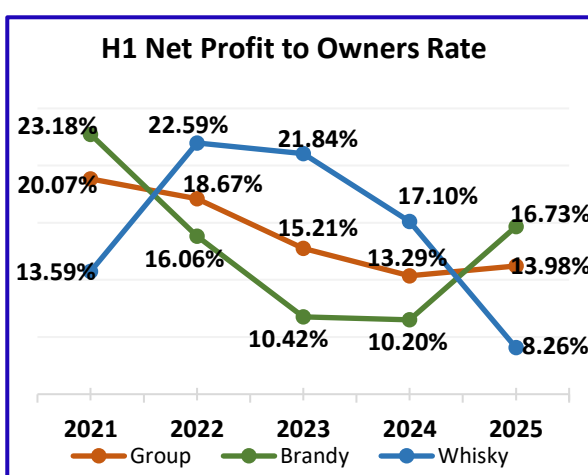
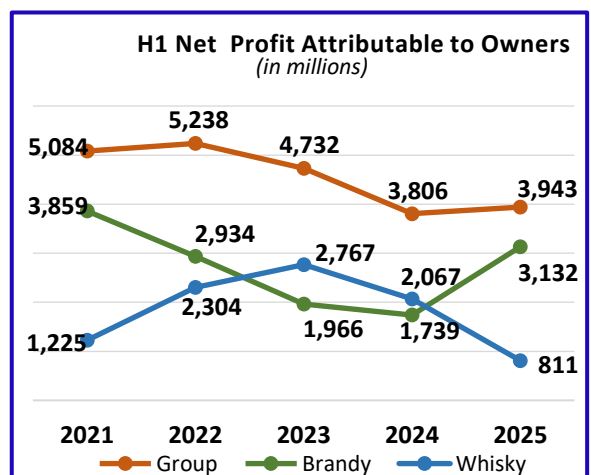
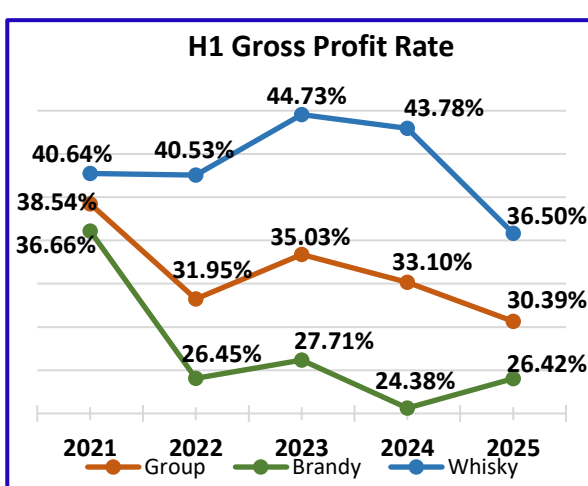
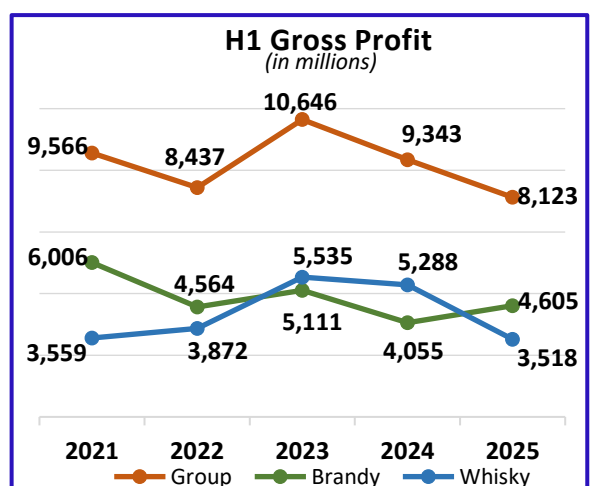
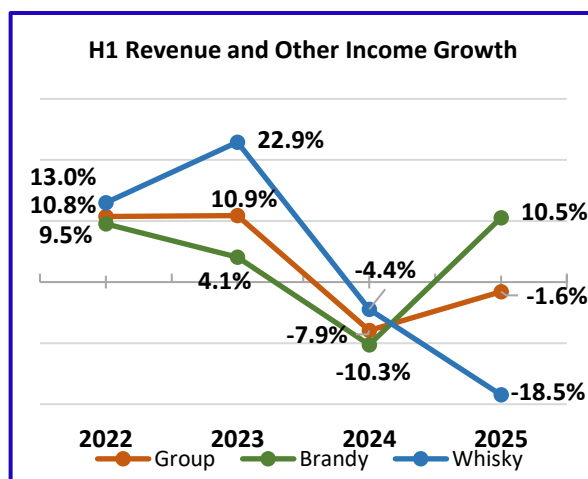
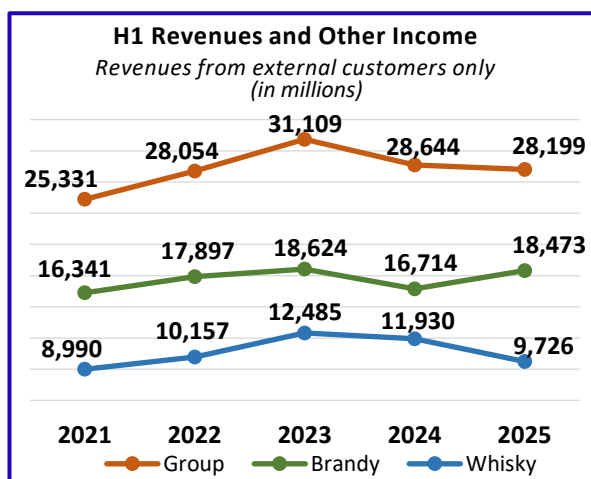
Notes: Numbers may not add up due to rounding.

¹Segment Revenues are from external customers only.

²GPR is GP over Sales

Brandy Segment												
In Million Pesos	H1 2025	H1 2024	YoY	%	Q2 2025	Q2 2024	YoY%	QoQ%	Q1 2025	Q1 2024	YoY	YoY%
REVENUES AND OTHER INCOME- External customers	18,473	16,714	1,759	10.5%	9,816	8,836	11.1%	13.4%	8,657	7,878	779	9.9%
Intersegment	245	331	(86)	(26.0%)	97	220	(55.7%)	(34.1%)	148	111	37	33.1%
Total	18,718	17,045	1,673	9.8%	9,913	9,056	9.5%	12.6%	8,805	7,989	816	10.2%
Cost of Goods Sold - External	12,730	12,420	309	2.5%	6,965	6,638	4.9%	20.8%	5,764	5,782	(18)	(0.3%)
Intersegment	96	160	(64)	(39.8%)	26	90	(71.1%)	(62.9%)	70	70		0.4%
Total	12,826	12,580	245	1.9%	6,991	6,728	3.9%	19.8%	5,834	5,852	(18)	(0.3%)
Gross Profit ["GP"]	4,605	4,055	550	13.6%	2,646	2,176	21.6%	35.1%	1,958	1,880	79	4.2%
Other operating expenses	2,012	1,832	180	9.8%	902	1,014	(11.0%)	(18.7%)	1,110	818	292	35.7%
Selling and distribution	1,332	1,031	301	29.2%	560	566	(1.1%)	(27.6%)	773	465	308	66.2%
General and admin.	680	801	(121)	(15.1%)	343	448	(23.5%)	1.5%	337	353	(16)	(4.4%)
Interest and other charges	479	560	(81)	(14.5%)	223	268	(16.8%)	(13.0%)	256	293	(36)	(12.5%)
NP before tax	3,401	2,073	1,329	64.1%	1,797	1,046	71.7%	12.0%	1,605	1,026	578	56.4%
Tax expense	219	267	(47)	(17.8%)	75	83	(9.6%)	(48.1%)	145	184	(39)	(21.4%)
NP	3,182	1,806	1,376	76.2%	1,722	963	78.7%	17.9%	1,460	842	618	73.3%
NPO	3,132	1,739	1,393	80.1%	1,685	916	83.8%	16.4%	1,448	823	625	75.9%
EBITDA	4,387	3,178	1,209	38.0%	2,280	1,598	42.7%	8.2%	2,107	1,580	526	33.3%
GPR %	26.42	24.38			27.46	24.43			25.13	24.31		
NPOR %	16.73	10.20			16.99	10.12			16.44	10.30		
EBITDA Margin %	23.44	18.65			23.00	17.65			23.93	19.78		

Scotch Whisky Segment												
In Million Pesos	H1 2025	H1 2024	YoY	%	Q2 2025	Q2 2024	YoY%	QoQ%	Q1 2025	Q1 2024	YoY	YoY %
REVENUES AND OTHER INCOME- External	9,726	11,930	(2,204)	(18.5%)	5,177	6,685	(22.6%)	13.8%	4,549	5,245	(696)	(13.3%)
Intersegment	96	160	(64)	(39.8%)	26	90	(71.1%)	(62.9%)	70	70		0.4%
Total	9,822	12,090	(2,267)	(18.8%)	5,203	6,775	(23.2%)	12.6%	4,619	5,315	(696)	(13.1%)
Cost of Goods Sold - External	5,875	6,460	(585)	(9.1%)	3,140	3,594	(12.6%)	14.8%	2,735	2,866	(131)	(4.6%)
Intersegment	245	331	(86)	(26.0%)	97	220	(55.7%)	(34.1%)	148	111	37	33.1%
Total	6,120	6,791	(671)	(9.9%)	3,237	3,814	(15.1%)	12.3%	2,883	2,977	(94)	(3.2%)
Gross Profit ["GP"]	3,518	5,288	(1,770)	(33.5%)	1,842	2,953	(37.6%)	9.8%	1,677	2,335	(658)	(28.2%)
Other operating expenses	2,330	2,531	(201)	(7.9%)	1,260	1,395	(9.7%)	17.7%	1,070	1,135	(65)	(5.8%)
Selling and distribution	1,925	1,931	(6)	(0.3%)	1,030	1,052	(2.1%)	15.1%	895	879	16	1.8%
General and admin.	405	600	(194)	(32.4%)	230	343	(33.0%)	31.4%	175	256	(81)	(31.6%)
Interest and other charges	386	244	142	58.1%	196	146	34.5%	3.3%	190	98	91	93.0%
NP before tax	986	2,524	(1,537)	(60.9%)	510	1,420	(64.1%)	7.2%	476	1,104	(628)	(56.9%)
Tax expense	175	457	(282)	(61.7%)	103	268	(61.7%)	42.0%	72	189	(116)	(61.7%)
NP	811	2,067	(1,256)	(60.8%)	407	1,152	(64.6%)	0.9%	404	915	(512)	(55.9%)
NPO	811	2,067	(1,256)	(60.8%)	407	1,152	(64.6%)	0.9%	404	915	(512)	(55.9%)
EBITDA	1,563	2,954	(1,391)	(47.1%)	802	1,658	(51.7%)	5.4%	761	1,296	(535)	(41.3%)
GPR %	36.50	43.78			36.26	43.64			36.77	43.96		
NPOR %	8.26	17.10			7.83	17.00			8.74	17.22		
EBITDA Margin %	15.91	24.43			15.41	24.48			16.47	24.38		



Financial Condition

Total assets amounted to P163.8 billion as at June 30, 2025, up +3% (+P4.2 billion) as compared to P159.5 billion at December 31, 2024. Total liabilities rose +6% (+P3.4 billion) to P62.4 billion at end of the interim period, equivalent to 38% of total assets and 61% of equity. The Group is strongly liquid with current assets exceeding current liabilities 4.0times and 4.1times at the end and beginning of the period, respectively. It maintained a low gearing ratio of 35% (i.e., bank

debts over equity) at end of the period, versus 31% a year ago. Bank debts had grown to 27% of net tangible assets (i.e. total assets minus intangible assets) at the end of the period from 26% at beginning of the year as loans were drawn down in UK during the interim to finance facilities' expansion.

Explanations on accounts with at least +/-5% changes during the interim period are as follows:

Cash and cash equivalents grew +5% (+P0.5 billion) to P10.2 billion at end of interim period, mainly coming from operations, particularly from collection of receivables, which supported net cash used in financing and investing activities that included payments of dividends and capital expenditures.

Trade and other receivables were reduced -11% (-P2.2 billion) to P18.0 billion, primarily from collection of trade receivables (-P2.8 billion) less additional advances to suppliers and to officers and employees for business purposes.

Financial assets at fair value through profit or loss went up by +13% (+P0.07 billion) to P0.6 billion due to translation adjustment in the interim period.

Inventories increased +6% (+P2.8 billion) to P51.4 billion due to laying down of liquid holding for future sales (especially, aging for Scotch Whisky) and producing products ahead to fulfill customer orders on time and on new products without any disruption through supply chain.

Prepayments and other current assets expanded +23% (+P0.7 billion) to P3.9 billion, mainly due to timing of prepayments from beginning of the year.

Retirement benefit assets increased +41% (+P0.2 billion) to P0.6 billion due to changes in financial assumptions and foreign exchange adjustments.

Deferred tax assets decreased -8% (-P0.03 billion) due to movements in timing differences.

Other non-current assets were slashed -47% (-P0.07 billion) to P0.1 billion mainly due to decrease in advances to suppliers (transferred to current assets).

Current Interest-bearing loans contracted -22% (-P0.1 billion) to P0.5 billion while non-current portion went up +7% (+P2.2 billion) to P34.9 billion, due to drawdowns in Scotland loan facility and changes in translation of Euro and GBP loans, as reduced by repayments of bank loans' principal, during the interim period.

Trade and other payables went up +8% (+P1.4 billion) to P18.6 billion due to timing of purchases for production and accruals of expenses.

Income tax payable decreased -14% (-P0.3 billion) mainly from payment of income tax that fell due within Q2.

Provisions decreased -44% (-P0.08 billion) to P0.1 billion principally from reversal of unutilized onerous lease provisions that were no longer required.

Deferred tax liabilities increased +5% (+P0.2 billion) due to movements in timing differences.

Equity attributable to owners increased +1% (+P1.2 billion) to P100.6 billion from net profit during the period (+P3.9 billion), translation gain in translating financial statements of foreign subsidiaries (+P0.1 billion) and other reserves (+P0.3 billion) reduced by the amount of dividends declared and paid during the interim period (-P3.1billion).

Non-controlling interest pertains primarily to the minority interest in DBLC and Boozylife. The decrease of -P0.3 billion pertains to share in translation adjustment and in net loss of non-controlling shareholders recorded during the current period.

Financial Soundness Indicators

Please see submitted schedule attached to this report.

<i>In Million Pesos</i>	June 30,	March 31,	Dec 31,
	2025	2025	2024
Debt [Loans]	35,472	33,352	33,433
Equity	101,423	99,250	100,527
Total Capitalization	136,895	132,602	133,959
Total Liabilities	62,352	59,582	59,000
Total Assets	163,775	158,832	159,527
Debt-to-equity ratio	35%	34%	33%
Liabilities-to-equity ratio	61%	60%	59%
Current ratio	3.97x	3.83x	4.08x
Quick ratio	1.36x	1.32x	1.51x
Return on assets	2.44%	1.17%	4.21%
	6mos.	3mos.	
Solvency ratio [EBITDA/Debt]	17%	9%	34%
	6mos.	3mos.	

Other Required Disclosures

As of June 30, 2025, except for what has been noted, there were no other known items –such as trends, demands, commitments, events or uncertainties- affecting assets, liabilities, equity, sales, revenues, net profit or cash flows that were unusual because of their nature, size, or incidents, and that will result in or that are reasonably likely to result in the liquidity increasing or decreasing in any material way, or that would have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There were no other known material events subsequent to the end of the interim period that would have a material impact in the interim period.

There are no other known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

The Group does not have nor anticipate having any cash flow or liquidity problems within the year.

The Group is not in default or breach of any note, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Group, including any default or acceleration of an obligation.

There are no other material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There are also no known events that will cause material change in the relationship between costs and revenues. There are no other significant elements of income or loss that did not arise from continuing operations.

There were no other material issuances, repurchases or repayments of debt and equity securities.

The business has no seasonal aspects that had a material effect on the financial condition and results of operations of the Group.

(Below is intentionally left blank.)

EMPERADOR INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
JUNE 30, 2025

	06/30/25	12/31/24
Current ratio	3.97	4.08
Quick ratio	1.36	1.51
Liabilities-to-equity ratio	0.61	0.59
Debt-to-equity ratio	0.35	0.33
Asset -to-equity ratio	1.61	1.59
	H1 2025	H1 2024
Net profit margin	14%	14%
Return on assets	2%	3%
Return on equity/investment	4%	4%
Solvency Ratio	17%	20%
Interest rate coverage ratio	7.36	7.83

LIQUIDITY RATIOS measure the business' ability to pay short-term obligations.

Current ratio - computed as current assets divided by current liabilities

Quick ratio - computed as cash, marketable securities, accounts receivable divided by current liabilities.

SOLVENCY RATIOS measure the business' ability to meet its long-term debt obligations.

Liabilities-to-equity ratio - computed as total liabilities divided by stockholders'equity.

Debt-to-equity ratio - computed as total interest-bearing loans [debt] divided by stockholders'equity.

Solvency ratio - computed as EBITDA divided by total debt [loans]

INTEREST RATE COVERAGE RATIO measures the business' ability to meet its interest payments.

It is computed as EBITDA divided by interest.

ASSET-TO-EQUITY RATIO measure financial leverage and long-term solvency. It shows how much of the assets are owned by the company. It is computed as average total assets divided by stockholders'equity.

PROFITABILITY RATIOS measure the business' ability to generate earnings.

Net profit margin - computed as net profit divided by revenues

Return on assets - net profit divided by average assets

Return on equity investment - net profit divided by total stockholders' equity

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>June 30, 2025</u> <u>(UNAUDITED)</u>	<u>December 31, 2024</u> <u>(AUDITED)</u>
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 10,196,634,490	P 9,739,188,511
Trade and other receivables - net	6	18,049,558,653	20,199,924,248
Financial assets at fair value through profit or loss	24.2	612,107,229	543,477,409
Inventories - net	7	51,411,852,575	48,649,145,978
Prepayments and other current assets	10.1	<u>3,904,778,378</u>	<u>3,169,170,956</u>
Total Current Assets		<u>84,174,931,325</u>	<u>82,300,907,102</u>
NON-CURRENT ASSETS			
Property, plant and equipment - net	8	42,657,176,940	40,906,530,431
Intangible assets - net	9	32,153,940,947	31,692,812,706
Investment in a joint venture	11	3,727,046,004	3,640,406,308
Retirement benefit asset - net		619,588,536	440,192,427
Deferred tax assets - net	18	359,277,473	389,625,744
Other non-current assets - net	10.2	<u>83,475,750</u>	<u>156,825,996</u>
Total Non-current Assets		<u>79,600,505,650</u>	<u>77,226,393,612</u>
TOTAL ASSETS		P 163,775,436,975	P 159,527,300,714
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans	12	P 530,832,393	P 679,108,834
Trade and other payables	14	18,602,742,217	17,157,695,057
Lease liabilities	8.3	242,339,041	232,830,824
Income tax payable		<u>1,820,860,767</u>	<u>2,114,512,029</u>
Total Current Liabilities		<u>21,196,774,418</u>	<u>20,184,146,744</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans	12	34,941,126,645	32,753,446,587
Lease liabilities	8.3	835,116,868	844,538,141
Provisions		100,857,190	180,866,410
Deferred tax liabilities - net	18	<u>5,278,483,074</u>	<u>5,037,395,096</u>
Total Non-current Liabilities		<u>41,155,583,777</u>	<u>38,816,246,234</u>
Total Liabilities	25	<u>62,352,358,195</u>	<u>59,000,392,978</u>
EQUITY			
Equity attributable to owners of the parent company	25	100,628,231,120	99,395,903,383
Non-controlling interest		<u>794,847,660</u>	<u>1,131,004,353</u>
Total Equity		<u>101,423,078,780</u>	<u>100,526,907,736</u>
TOTAL LIABILITIES AND EQUITY		P 163,775,436,975	P 159,527,300,714

See Selected Explanatory Notes to Interim Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	Six Months		Quarter	
		2025	2024	2025	2024
REVENUES AND OTHER INCOME	15	P 28,198,964,431	P 28,643,718,720	P 14,992,851,845	P 15,520,967,052
COSTS AND EXPENSES					
Costs of goods sold	16	18,604,130,916	18,880,465,402	10,104,731,018	10,232,319,669
Selling and distribution expenses	17	3,257,013,896	2,962,056,887	1,589,416,919	1,617,788,865
General and administrative expenses	17	1,085,404,339	1,400,574,354	572,708,709	791,273,292
Interest expense	12	808,093,234	783,033,648	394,856,819	394,862,259
Other charges - net		57,104,387	21,654,548	24,209,131	18,712,665
		23,811,746,772	24,047,784,839	12,685,922,596	13,054,956,750
PROFIT BEFORE TAX		4,387,217,659	4,595,933,881	2,306,929,249	2,466,010,302
TAX EXPENSE	18	394,301,922	723,382,838	177,604,543	350,923,808
NET PROFIT		3,992,915,737	3,872,551,043	2,129,324,706	2,115,086,494
OTHER COMPREHENSIVE INCOME (LOSS)					
Item that will be reclassified subsequently to profit or loss					
Translation gain (loss)		(283,408,953)	1,471,544,288	175,475,448	732,346,988
Items that will not be reclassified subsequently to profit or loss					
Net actuarial gain on retirement benefit plan		140,452,000	299,232,000	18,352,000	83,818,000
Tax expense on remeasurement of retirement benefit plan	18	(35,113,000)	(74,808,000)	(4,588,000)	(20,954,500)
		105,339,000	224,424,000	13,764,000	62,863,500
Total Other Comprehensive Income (Loss)		(178,069,953)	1,695,968,288	189,239,448	795,210,488
TOTAL COMPREHENSIVE INCOME		P 3,814,845,784	P 5,568,519,331	P 2,318,564,154	P 2,910,296,982
Net profit attributable to:					
Owners of the parent company		P 3,943,428,598	P 3,806,209,241	P 2,092,082,151	P 2,068,023,930
Non-controlling interest		49,487,139	66,341,802	37,242,555	47,062,564
		P 3,992,915,737	P 3,872,551,043	P 2,129,324,706	P 2,115,086,494
Total comprehensive income (loss) attributable to:					
Owners of the parent company		P 4,151,002,477	P 5,801,448,311	P 2,220,747,932	P 3,028,757,578
Non-controlling interest		(336,156,693)	(232,928,980)	97,816,222	(118,460,596)
		P 3,814,845,784	P 5,568,519,331	P 2,318,564,154	P 2,910,296,982
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company - Basic	21	P 0.25	P 0.24	P 0.13	P 0.13
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company - Diluted	21	P 0.24	P 0.23	P 0.13	P 0.13

See Selected Explanatory Notes to Interim Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Amounts in Philippine Pesos)

Attributable to Owners of the Parent Company															
	Capital Stock	Additional Paid-in Capital	Deposit for Future Stock Subscription - ELS	Treasury Shares	Conversion Options Outstanding	Share Options Outstanding	Accumulated Translation Adjustments	Revaluation Reserves	Other Reserves	Retained Earnings				Non-controlling Interest	Total Equity
										Appropriated	Unappropriated	Total	Total		
Balance at January 1, 2025	P 16,242,391,176	P 23,126,856,086	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 385,193,968	P 1,311,399,865	(P 562,869,850)	P 1,334,224,629	P 1,200,000,000	P 57,574,173,011	P 58,774,173,011	P 99,395,903,383	P 1,131,004,353	P 100,526,907,736
Movements during the year	-	-	-	-	-	-	-	-	161,504,795	-	-	-	161,504,795	-	161,504,795
Transfer to equity reserves	-	-	-	-	-	-	-	-	129,162,483	-	(129,162,483)	(129,162,483)	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	-	102,234,879	105,339,000	3,943,428,598	-	3,943,428,598	3,943,428,598	4,151,002,477	(336,156,693)	3,814,845,784
Reversal of appropriation	-	-	-	-	-	-	-	-	122,000,000	(122,000,000)	-	-	-	-	-
Cash dividends declared and paid during the year	-	-	-	-	-	-	-	-	-	-	(3,080,179,535)	(3,080,179,535)	(3,080,179,535)	-	(3,080,179,535)
Balance at June 30, 2025	P 16,242,391,176	P 23,126,856,086	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 385,193,968	P 1,413,634,744	(P 457,530,850)	P 1,624,891,907	P 1,078,000,000	P 58,430,259,591	P 59,508,259,591	P 100,628,231,120	P 794,847,660	P 101,423,078,780
Balance at January 1, 2024	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 318,710,397	(P 1,017,004,922)	(P 705,719,200)	P 828,321,157	P 1,200,000,000	P 55,167,247,701	P 56,367,247,701	P 93,924,858,639	P 1,483,033,655	P 95,407,892,294
Movements during the year	-	-	-	-	-	-	-	-	495,346,143	-	-	-	495,346,143	-	495,346,143
Transfer to equity reserves	-	-	-	-	-	-	-	-	23,444,560	-	(23,444,560)	(23,444,560)	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	1,770,815,070	224,424,000	3,806,209,241	-	3,806,209,241	3,806,209,241	5,801,448,311	(232,928,980)	5,568,519,331
Cash dividends declared and paid during the year	-	-	-	-	-	-	-	-	-	-	(3,890,753,097)	(3,890,753,097)	(3,890,753,097)	-	(3,890,753,097)
Balance at June 30, 2024	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 318,710,397	P 753,810,148	(P 481,295,200)	P 1,347,111,860	P 1,200,000,000	P 55,059,259,285	P 56,259,259,285	P 96,530,899,996	P 1,250,104,675	P 97,581,004,671

See Selected Explanatory Notes to Interim Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		P 4,387,217,659	P 4,595,933,881
Adjustments for:			
Interest expense	12	808,093,234	783,033,648
Depreciation and amortization	8	754,149,609	753,249,697
Interest income	5	(208,619,654)	(211,720,535)
Impairment losses on trade and other receivables	6	2,650,545	4,564,460
Share in net profit of a joint venture	11	(26,957,979)	(71,536,653)
Provisions	17	(37,000,000)	(36,000,000)
Operating profit before working capital changes		5,679,533,414	5,817,524,498
Decrease(increase) in trade and other receivables		2,080,492,531	(1,008,950,808)
Increase in financial instruments at fair value through profit or loss		(72,802,378)	(182,048,843)
Increase in inventories		(2,659,611,535)	(3,187,171,583)
Decrease (increase) in prepayments and other current assets		(595,267,490)	109,485,738
Increase in retirement benefit asset		(38,944,109)	(34,805,355)
Decrease (increase) in other non-current assets		73,272,173	(21,072,332)
Increase in trade and other payables		1,409,081,782	2,532,132,251
Cash generated from operations		5,875,754,388	4,025,093,566
Cash paid for income taxes		(783,832,400)	(1,640,908,833)
Net Cash From Operating Activities		<u>5,091,921,988</u>	<u>2,384,184,733</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	8	(2,435,381,686)	(3,486,376,364)
Interest received	5	218,454,143	224,941,984
Proceeds from sale of property, plant and equipment	8.1	5,364,880	208,948
Net Cash Used in Investing Activities		<u>(2,211,562,663)</u>	<u>(3,261,225,432)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing loans	12	3,120,712,644	4,735,134,741
Dividends paid	13, 20.2	(3,080,179,535)	(3,890,753,097)
Repayments of interest-bearing loans	12	(1,619,439,294)	(854,300,883)
Interest paid		(844,007,161)	(764,626,574)
Net Cash Used in Financing Activities		<u>(2,422,913,346)</u>	<u>(774,545,813)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		457,445,979	(1,651,586,512)
CASH AND CASH EQUIVALENTS AT JANUARY 1		<u>9,739,188,511</u>	<u>10,513,125,613</u>
CASH AND CASH EQUIVALENTS AT JUNE 30		<u>P 10,196,634,490</u>	<u>P 8,861,539,101</u>

See Selected Explanatory Notes to Interim Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
SELECTED EXPLANATORY NOTES TO INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(With Comparative Audited Figures for December 31, 2024)
(Amounts in Philippine Pesos)
(UNAUDITED)

1. CORPORATE INFORMATION

Emperador Inc. (“EMI” or “the Parent Company”) was incorporated in the Philippines and registered with the Securities and Exchange Commission (“SEC”) on November 26, 2001. It presently operates as a holding company of a global conglomerate in the distilled spirits and other alcoholic beverages business.

EMI is a subsidiary of Alliance Global Group, Inc. (“AGI” or “the Ultimate Parent Company”), a publicly-listed domestic holding company with diversified investments in real estate development, food and beverage, quick-service restaurants, and tourism-entertainment and gaming businesses.

The registered principal office of EMI is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City, where the registered office of AGI is also presently located.

The common shares of EMI and AGI were first listed for trading in the Philippine Stock Exchange (PSE) on December 19, 2011 and April 19, 1999, respectively. The EMI shares were secondary listed and started trading on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on July 14, 2022.

1.1 Subsidiaries

EMI holds beneficial equity ownership in entities operating in an integrated business of manufacturing, bottling and distributing distilled spirits and other alcoholic beverages from the Philippines and Europe (collectively referred to herein as “the Group”), as follows:

Names of Subsidiaries	Percentage of Effective Ownership	
	June 30, 2025	December 31, 2024
EDI and subsidiaries (EDI Group)		
Emperador Distillers, Inc. (“EDI”)	100%	100%
Anglo Watsons Glass, Inc. (“AWGI”)	100%	100%
Alcazar De Bana Holdings Company, Inc.	100%	100%
Progreen Agricornp Inc. (“Progreen”)	100%	100%
South Point Science Park Inc.	100%	100%
Ocean One Transport Inc.	100%	100%
The Bar Beverage, Inc.	100%	100%
Tradewind Estates, Inc. (“TEI”)	100%	100%
Boozylife Inc. (“Boozylife”)	87%	87%
Cocos Vodka Distillers Philippines, Inc.	100%	100%
Zabana Rum Company, Inc.	100%	100%
The World’s Finest Liquor Inc.	100%	100%

<u>Names of Subsidiaries and Joint Venture</u>	Percentage of Effective Ownership	
	<u>June 30, 2025</u>	<u>December 31, 2024</u>
EIL and offshore subsidiaries and joint venture:		
Emperador International Ltd. (“EIL”)	100%	100%
Emperador Holdings (GB) Limited (“EGB”)	100%	100%
<i>Emperador UK Limited</i> (“EUK”)	100%	100%
<i>Whyte and Mackay Group Limited</i> (“WMG”)	100%	100%
<i>Whyte and Mackay Global Limited</i> (“WMGL”)	100%	100%
<i>Whyte and Mackay Limited</i> (“WML”)	100%	100%
<i>Whyte and Mackay Warehousing Limited</i> (“WMWL”)	100%	100%
Emperador Asia Pte. Ltd. (“EA”)	100%	100%
Grupo Emperador Spain, S.A. (“GES”)	100%	100%
<i>Bodega San Bruno, S.L.</i> (“BSB”)	100%	100%
<i>Bodegas Fundador, S.L.U.</i> (“BFS”)	100%	100%
<i>Grupo Emperador Gestion S.L</i> (“GEG”)	100%	100%
<i>Stillman Spirits, S.L.</i> (“Stillman”)	100%	100%
<i>Domecq Bodega Las Copas, S.L.</i> (“DBLC”)	50%	50%
<i>Bodegas Las Copas, S.L.</i> (“BLC”)	50%	50%
Emperador Europe Sarl (“EES”)	100%	100%

Please refer to Note 1.1 to the audited consolidated financial statements as of and for the year ended December 31, 2024 for information on these entities.

1.2 Approval of the Interim Consolidated Financial Statements

The interim consolidated financial statements (unaudited) of the Group as of and for the six months ended June 30, 2025 (including the comparative financial information as of December 31, 2024 and for the six months ended June 30, 2024) were authorized for issue by the Parent Company’s Board of Directors (“BOD”) through the Audit Committee on August 8, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these interim consolidated financial statements are consistent with those applied in the most recent audited consolidated financial statements as of and for the year ended December 31, 2024 except for the application of amendments to standards that became effective on January 1, 2025 (see Note 2.2).

2.1 Basis of Preparation of Interim Consolidated Financial Statements

These interim consolidated financial statements for the six months ended June 30, 2025 and 2024 (“ICFS”) have been prepared in accordance with Philippine Accounting Standard (“PAS”) 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements as of and for the year ended December 31, 2024 (“ACFS”).

These ICFS are presented in Philippine pesos, the Group’s functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2025 that are Relevant to the Group

The Group adopted for the first time the following amendments and annual improvements to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2025. These do not have material impact on the ICFS as these pronouncements merely clarify existing requirements.

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates- Lack of Exchangeability*

(b) Effective Subsequent to 2025 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FRSC. Management will adopt the said relevant amendments in accordance with their transitional provisions; and, unless otherwise stated, are not expected to have significant impact on the Group's ICFS:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures- Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027)
- (iii) PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027)
- (iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associate and Joint Ventures- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing the ICFS, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates and assumptions applied in the interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's most recent ACFS.

The Group performed its annual impairment test of goodwill and trademarks with indefinite useful lives at year-end and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill arising from business combination and other intangible assets is based on value-in-use calculations. The Group monitors goodwill and trademarks with indefinite useful lives on the cash generating units to which these assets were allocated and considers the relationship between the market capitalization of the subsidiaries and its net book value, among other factors, when reviewing for indicators of impairment. The Group's management assessed that as of June 30, 2025 and as of December 31, 2024, goodwill arising from business combination and other intangible assets with indefinite useful lives are not impaired.

There had been no changes during the six-month period of 2025 in the commitments and contingencies disclosed in the ACFS (see Note 26). Except also for the provisions for onerous lease and dilapidations recognized, there are no other commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the ICFS. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Group's ICFS.

4. SEGMENT INFORMATION

4.1 Business Segments

The Group is organized into two business segments, the Brandy and Scotch Whisky, which represent the two major distilled spirits categories where the Group operates. Scotch Whisky pertains to the United Kingdom (“UK”) operations and the rest fall under Brandy. This is also the basis of the Group’s executive committee for its strategic decision-making activities, including the financial performance evaluation of the operating segments or resource allocation decisions.

The Group disaggregates revenues recognized from contracts with customers into these two segments that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The same disaggregation is used in earnings releases, annual reports and investor presentations.

4.2 Segment Assets and Liabilities

Segment assets and segment liabilities represent the assets and liabilities reported in the interim consolidated statements of financial position of the companies included in each segment.

4.3 Intersegment Transactions

Intersegment transactions, such as intercompany sales and purchases, and receivables and payables, are eliminated in consolidation.

4.4 Analysis of Segment Information

Segment information for the six months ended June 30, 2025 and 2024 and as of December 31, 2024 (in millions) are presented below.

	BRANDY June 30		SCOTCH WHISKY June 30		SEGMENT TOTALS June 30	
	2025	2024	2025	2024	2025	2024
REVENUES AND OTHER INCOME						
External Customers	P 18,473	P 16,714	P 9,726	P 11,930	P 28,199	P 28,644
Intersegment sales*	245	331	96	160	341	491
	18,718	17,045	9,822	12,090	28,540	29,135
COSTS AND EXPENSES						
Cost of goods sold	12,730	12,420	5,875	6,460	18,605	18,880
Intersegment cost of goods sold*	96	160	245	331	341	491
Selling and distribution expenses	1,332	1,031	1,925	1,931	3,257	2,962
General and administrative expenses	680	801	405	600	1,085	1,401
Interest expense and other charges	479	560	386	244	865	804
	15,317	14,972	8,836	9,566	24,153	24,538
SEGMENT PROFIT BEFORE TAX	3,401	2,073	986	2,524	4,387	4,597
TAX EXPENSE	219	267	175	457	394	724
SEGMENT NET PROFIT	<u>P 3,182</u>	<u>P1,806</u>	<u>P 811</u>	<u>P2,067</u>	<u>P 3,993</u>	<u>P 3,873</u>
Depreciation and Amortization	564	575	190	178	754	753
Interest expense	422	531	386	252	808	783
Share in net profit of JV	27	72	-	-	27	72
	June 30, 2025	Dec31, 2024	June 30, 2025	Dec31, 2024	June 30, 2025	Dec31, 2024
TOTAL ASSETS	P 133,011	P 138,186	P 83,608	P 80,811	P 216,619	P 218,997
TOTAL LIABILITIES	40,274	43,450	27,589	25,201	67,862	68,651

*Intersegment sales and cost of goods sold are eliminated in consolidation. Numbers may not add up due to rounding. See reconciliation in Note 4.5.

The Group’s revenues and other income in the periods presented range from 63% to 66% from the Asia Pacific, 24% to 25% from Europe and the remaining portion from North and Latin Americas, Middle East and Africa and other countries.

Sales to any of the Group's major customers did not exceed 10% of the Group's revenues in all of the periods presented.

4.5 Reconciliations

The reconciliation of total segment balances presented for the Group's operating segments to the Group's consolidated balances as presented in the interim consolidated financial statements are as follows (in millions):

	<u>Segment Totals</u>	<u>Intercompany Accounts</u>	<u>Consolidated Balances</u>
June 2025			
Revenues and other income	P 28,540	P (341)	P 28,199
Cost and expenses	24,153	(341)	23,812
Total assets	216,619	(52,844)	163,775
Total liabilities	67,862	(5,510)	62,352
Other segment information:			
Depreciation and amortization	754	-	754
Interest expense	808	-	808
Share in net profit of JV	27	-	27
June 2024			
Revenues and other income	29,135	(491)	28,644
Cost and expenses	24,538	(491)	24,047
Other segment information:			
Depreciation and amortization	753	-	753
Interest expense	783	-	783
Share in net profit of joint venture	72	-	72
December 2024			
Total assets	218,997	(59,469)	159,527
Total liabilities	68,651	(9,650)	59,000

5. CASH AND CASH EQUIVALENTS

This account includes the following components:

	<u>June 30, 2025 (Unaudited)</u>	<u>December 31, 2024 (Audited)</u>
Cash on hand and in banks	P 4,324,880,369	P 3,814,838,178
Short-term placements	<u>5,871,754,121</u>	<u>5,924,350,333</u>
	<u>P 10,196,634,490</u>	<u>P 9,739,188,511</u>

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements have an average maturity of 30 to 35 days and earn effective annual interest rates of 5.6% to 5.9% in the first half of 2025 and from 2.8% to 6.0% in the first half of 2024. Interest earned amounted to P208.6 and P211.7 million in the first half of 2025 and 2024, respectively, and is presented as part of Other income under the Revenues and Other Income account in the interim consolidated statements of comprehensive income (see Note 15).

6. TRADE AND OTHER RECEIVABLES

Details of this account are as follows:

	Notes		June 30, 2025 (Unaudited)		December 31, 2024 (Audited)
Trade receivables	19.3	P	15,436,543,550	P	18,271,014,806
Advances to suppliers			2,111,487,613		2,106,799,926
Advances to officers and employees	19.4		725,798,600		32,923,698
Accrued interest receivable			2,133,104		11,967,593
Other receivables			90,785,670		157,019,270
			18,366,748,537		20,579,725,293
Allowance for impairment		(317,189,884)	(379,801,045)
		P	18,049,558,653	P	20,199,924,248

Advances to suppliers pertain to downpayments made primarily for the purchase of goods from suppliers.

All of the Group's trade and other receivables have been assessed for impairment using the expected credit loss ("ECL") model adopted by the Group and adequate amounts of allowance for impairment have been recognized in 2025 and 2024 for those receivables found to be impaired (see Note 22.2). A reconciliation of the allowance for impairment is shown below.

		June 30, 2025 (Unaudited)		December 31, 2024 (Audited)
Balance at beginning of period	P	379,801,045	P	297,589,023
Recoveries		-	(2,669,318)
Impairment losses		2,650,545		90,953,844
Write-offs	(66,328,642)	(9,785,139)
Translation adjustment		1,066,936		3,712,635
Balance at end of period	P	317,189,884	P	379,801,045

Recoveries pertain to collections of certain receivables previously provided with allowance.

The carrying amounts of these financial assets are a reasonable approximation of their fair values due to their short-term duration.

7. INVENTORIES

Inventories, except for certain finished goods and packaging materials, are all stated at cost, which is lower than their net realizable values. The details of inventories are shown below.

	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At cost:			
Finished goods	16, 19	P 6,446,325,988	P 5,252,984,685
Work-in-process	16	37,165,494,325	35,158,144,734
Raw materials	16, 19	3,744,826,343	4,515,584,449
Packaging materials	16, 19	517,682,209	511,058,362
Machinery spare parts, consumables and factory supplies		<u>451,470,693</u>	<u>449,377,487</u>
		<u>48,325,799,558</u>	<u>45,887,149,717</u>
At net realizable value:			
Finished goods			
Cost	16, 19	2,823,802,805	2,615,901,913
Allowance for impairment		(495,543,310)	(511,535,642)
Packaging materials			
Cost	16, 19	846,122,142	768,918,490
Allowance for impairment		(88,328,620)	(111,288,500)
		<u>3,086,053,017</u>	<u>2,761,996,261</u>
		<u>P 51,411,852,575</u>	<u>P 48,649,145,978</u>

WML has a substantial inventory of aged stocks which mature over periods of up to 60 years. The maturing whisky stock inventory amounting to P31.5 billion and P29.6 billion as of June 30, 2025 and December 31, 2024, respectively, is presented as part of work-in-process inventories, and is stored in various locations across Scotland.

An analysis of the cost of inventories included in costs of goods sold for the six months ended June 30, 2025 and 2024 is presented in Note 16.

8. PROPERTY, PLANT AND EQUIPMENT

The carrying amount of this account is composed of the following:

	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Property, plant and equipment	8.1	P 41,705,800,575	P 39,909,765,923
Right-of-use assets	8.2	<u>951,376,365</u>	<u>996,764,508</u>
		<u>P 42,657,176,940</u>	<u>P 40,906,530,431</u>

8.1 Carrying Values of Property, Plant and Equipment

The gross carrying amounts and accumulated depreciation and amortization of property, plant and equipment at the beginning and end of the reporting periods are shown below.

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost	P 63,846,796,807	P 60,856,080,332
Accumulated depreciation and amortization	(22,140,996,232)	(20,946,314,409)
Net carrying amount	<u>P 41,705,800,575</u>	<u>P 39,909,765,923</u>

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting periods is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period, net of accumulated depreciation and amortization	P 39,909,765,923	P 33,651,737,301
Additions during the period	2,435,381,686	7,510,353,613
Translation adjustment	399,875,122	672,150,871
Disposal during the period	(5,364,880)	(5,375,245)
Depreciation and amortization charges for the period	(1,033,857,276)	(1,919,100,617)
Balance at the end of the period, net of accumulated depreciation and amortization	<u>P 41,705,800,575</u>	<u>P 39,909,765,923</u>

The amount of depreciation and amortization is allocated as follows:

		For the Six Months Ended	
	Notes	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Costs of goods sold	16	P 564,263,995	P 529,709,082
Selling and distribution expenses	17	44,848,453	48,967,135
General and administrative expenses	17	<u>95,505,508</u>	<u>128,039,354</u>
		704,617,956	706,715,571
Capitalized to inventories		<u>329,239,320</u>	<u>259,633,800</u>
		<u>P 1,033,857,276</u>	<u>P 966,349,371</u>

The capitalized amounts form part of the work-in-process inventory and represent depreciation expense on barrels and warehouse buildings wherein the maturing bulk stocks of whisky are held, which can reach periods of up to 60 years.

8.2 Right-of-use Assets

The Group has leases for certain manufacturing plant, warehouses, building space, commercial building, and vehicles, fittings and equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the interim consolidated statements of financial position as Right-of-use assets under the Property, Plant and Equipment account and Lease Liabilities account.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are

either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For certain leases, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The carrying amounts and the movements of the Group's right-of-use assets are shown below.

	<u>June 30, 2025</u> <u>(Unaudited)</u>	<u>December 31, 2024</u> <u>(Audited)</u>
Cost	P 1,722,754,663	P 1,585,593,821
Accumulated amortization	(771,378,298)	(588,829,313)
Net carrying amount	<u>P 951,376,365</u>	<u>P 996,764,508</u>

A reconciliation of the carrying amounts at the beginning and end of the reporting periods is shown below.

	<u>June 30, 2025</u> <u>(Unaudited)</u>	<u>December 31, 2024</u> <u>(Audited)</u>
Balance at beginning of the period, net of accumulated amortization	P 996,764,508	P 560,030,672
Amortization charges for the period	(49,531,653)	(200,228,377)
Translation adjustment	4,143,510	10,145,688
Termination	-	(9,661,328)
Disposal	-	(4,848,879)
Lease modification	-	(975,330)
Additions during the period	<u>-</u>	<u>642,302,062</u>
Balance at the end of the period, net of accumulated amortization	<u>P 951,376,365</u>	<u>P 996,764,508</u>

The amount of amortization in 2025 and 2024 is allocated as follows:

		<u>For the Six Months Ended</u> <u>June 30, 2025</u> <u>(Unaudited)</u>	<u>June 30, 2024</u> <u>(Unaudited)</u>
Costs of goods sold	16	P 18,347,563	P 18,865,985
General and administrative expenses	17	<u>31,184,090</u>	<u>27,668,141</u>
		<u>P 49,531,653</u>	<u>P 46,534,126</u>

8.3 Lease Liabilities

Lease liabilities are presented in the interim consolidated statements of financial position as follows:

	<u>June 30, 2025</u> <u>(Unaudited)</u>	<u>December 31, 2024</u> <u>(Audited)</u>
Current	P 242,339,041	P 232,830,824
Non-current	<u>835,116,868</u>	<u>844,538,141</u>
	<u>P 1,077,455,909</u>	<u>P 1,077,368,965</u>

The lease liabilities are secured by the related underlying assets and by a property mortgage. The movements of lease liabilities are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning lease liabilities	P 1,077,368,965	P 611,202,053
Translation adjustment	(26,800,761)	58,285,759
Additions- net	-	426,881,499
Reclassification of onerous lease	-	(57,033,148)
Interest amortization	26,887,705	38,032,802
Ending lease liabilities	P 1,077,455,909	P 1,077,368,965

9. INTANGIBLE ASSETS

This account is composed of the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Indefinite useful lives		
Trademarks – net	P 21,730,248,620	P 21,453,858,552
Goodwill	10,423,692,327	10,238,954,154
	P 32,153,940,947	P 31,692,812,706

Goodwill represents the excess of the cost of acquisition of the Group over the fair value of the net assets acquired at the date of acquisition and relates mainly to strengthen the Group's position in the global drinks market, the synergies and economies of scale expected from combining the operations of the Group, WMG and BFS, and the value attributable to their respective workforce. This is from the acquisition of WMG in 2014 and BFS in 2016.

Management believes that both the goodwill and trademarks are not impaired as of June 30, 2025 and December 31, 2024 as the Group's products that carry such brands and trademarks are performing very well in the market; hence, no impairment is necessary to be recognized in the periods presented.

10. OTHER ASSETS

10.1 Prepayments and Other Current Assets

This account is composed of the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Prepaid taxes	P 2,386,166,848	P 2,079,544,002
Prepaid expenses	1,163,317,118	853,342,059
Deferred input value-added tax ("VAT")	11,512,736	76,935,282
Refundable security deposits	5,224,199	6,767,203
Others	338,557,477	152,582,410
	P 3,904,778,378	P 3,169,170,956

Prepaid taxes pertain to payments made by the Group for the withholding taxes and other government-related obligations. It also includes purchase of labels and advance payment of excise tax for both the local production and importation of alcoholic beverage products.

Prepaid expenses include prepayments of advertising, rentals, insurance and general prepayments.

10.2 Other Non-current Assets

This account is composed of the following:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Advances to suppliers		P 3,302,053	P 76,327,239
Deferred input VAT		7,412,506	17,030,424
Refundable security deposits	19.2	58,143,355	45,885,833
Others		<u>14,617,836</u>	<u>17,582,500</u>
		<u>P 83,475,750</u>	<u>P 156,825,996</u>

Management assessed that the impact of discounting the value of the refundable security deposits is not significant; hence, was no longer recognized in the Group's interim consolidated financial statements.

11. INVESTMENT IN A JOINT VENTURE

The carrying amount of the investment in BLC, a joint venture with Gonzales Byass S.A., accounted for under the equity method in these interim consolidated financial statements, are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition costs	<u>P 2,845,367,065</u>	<u>P 2,845,367,065</u>
Accumulated share in net profit:		
Balance at beginning of the period	795,039,243	659,025,708
Share in net profit for the period	26,957,979	77,607,480
Translation adjustment	<u>59,681,717</u>	<u>58,406,055</u>
Balance at end of the period	<u>881,678,939</u>	<u>795,039,243</u>
	<u>P 3,727,046,004</u>	<u>P 3,640,406,308</u>

The share in net profit is recorded under the Revenues and Other Income section in the interim consolidated statements of comprehensive income (see Note 15).

12. INTEREST-BEARING LOANS

The composition of the Group's outstanding foreign bank loans is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current	P 530,832,393	P 679,108,834
Non-current	<u>34,941,126,645</u>	<u>32,753,446,587</u>
	<u>P 35,471,959,038</u>	<u>P 33,432,555,421</u>

Interest expense on the above loans for the periods ended June 30, 2025 and 2024 amounted to P0.8 billion, and is presented as part of Interest Expense account under the Costs and Expenses section of the interim consolidated statements of comprehensive income.

13. EQUITY-LINKED SECURITIES

As of June 30, 2025 and December 31, 2024, the outstanding balance of the equity-linked securities instrument ("ELS") amounting to P3.4 billion represents Tranche 2 Conversion into 475,000,000 common shares ("Tranche 2 Shares") which would be issued to Arran Investment Private Limited ("Arran"), the Holder, by EMI within the agreed Conversion Period which was last agreed, as of date of this report, to be until August 12, 2025 or such other date as may be mutually agreed in writing between the Holder and EMI. Upon the actual conversion and issuance of Tranche 2 Shares, EMI will reclassify the remaining portion of the Conversion Options amounting to P88.5 million to APIC.

The ELS also bears variable interest in an amount equal to the dividend rate applied to the number of Conversion Shares and at the same time as when dividends were paid to stockholders. Variable interest during the six months ended June 30, 2025 and June 30, 2024 amounted to P90.2 million and 114.0 million, respectively, and is presented as part of Cash Dividends Declared during the year in the interim consolidated statements of changes in equity.

The ELS is presented as Deposit for Future Stock Subscription – Equity-linked Securities in the interim consolidated statements of changes in equity.

There were no related collaterals on the ELS.

14. TRADE AND OTHER PAYABLES

The breakdown of this account is as follows:

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade payables	19.1	P 10,714,484,477	P 9,702,013,952
Accrued expenses		7,008,583,067	6,541,933,839
Output VAT payable		766,300,334	822,803,768
Others		<u>113,374,339</u>	<u>90,943,498</u>
		<u>P 18,602,742,217</u>	<u>P 17,157,695,057</u>

15. REVENUES AND OTHER INCOME

The details of revenues and other income are shown below.

	Notes	For the Six Months Ended June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Sales	19.3	P 26,727,346,476	P 28,223,610,978
Others:			
Interest income	5	208,619,654	211,720,535
Share in net profit of joint venture	11	26,957,979	71,536,653
Others		<u>1,236,040,322</u>	<u>136,850,554</u>
		<u>1,471,617,955</u>	<u>420,107,742</u>
		<u>P 28,198,964,431</u>	<u>P 28,643,718,720</u>

16. COSTS OF GOODS SOLD

The details of costs of goods sold are shown below.

	Notes	For the Six Months Ended	
		June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Finished goods, beginning	7	P 7,868,886,598	P 9,081,462,012
Finished goods purchased	19.1	1,011,582,591	1,371,889,254
Cost of goods manufactured			
Raw and packaging materials, beginning	7	5,795,561,301	6,759,911,956
Net purchases	19.1	17,164,429,877	18,316,783,424
Raw and packaging materials, end	7	(5,108,630,694)	(7,620,379,628)
Raw materials used		P 17,851,360,484	P 17,456,315,752
Work-in-process, beginning	7	35,158,144,734	30,562,603,015
Direct labor		1,013,704,288	987,560,768
Manufacturing overhead:			
Depreciation and amortization	8	582,611,558	548,575,067
Repairs and maintenance		211,198,274	201,166,490
Taxes and licenses		166,421,679	362,188,940
Communication, light, and water		175,636,772	161,273,879
Outside services		153,229,671	161,887,558
Rentals		128,312,257	141,813,118
Fuel and lubricants		144,137,337	118,275,940
Labor		100,505,848	82,089,353
Insurance		36,141,234	29,445,693
Commission		97,007,932	250,868,592
Waste disposal		22,093,822	24,574,428
Transportation		19,506,405	99,478,811
Gasoline and oil		19,935,696	30,870,567
Meals		9,211,723	16,150,785
Miscellaneous		270,125,131	317,418,183
Work-in-process, end	7	(37,165,494,325)	(33,419,087,769)
		18,993,790,520	18,133,469,170
Finished goods, end	7	(9,270,128,793)	(9,706,355,034)
		P 18,604,130,916	P 18,880,465,402

17. OTHER OPERATING EXPENSES

The details of operating expenses are shown below.

	Notes	For the Six Months Ended	
		June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Advertising and promotions		P 1,882,809,571	P 1,903,894,829
Salaries and employee benefits		1,178,078,112	1,153,315,476
Travel and transportation		322,653,014	275,200,988
Professional fees and outside services		245,748,390	291,102,420
Other services		536,268	1,076,496
Freight and handling		125,534,892	128,279,099
Depreciation and amortization	8	171,538,051	204,674,630
Taxes and licenses		94,767,690	90,118,441
Representation		79,967,272	73,204,354
Repairs and maintenance		54,659,761	51,818,571
Rentals		75,889,458	30,530,564
Fuel and oil		12,058,297	9,928,112
Supplies		26,259,380	26,667,066
Communication, light, and water		27,805,923	20,727,034
Meals		21,164,399	1,633,790
Insurance		18,721,735	10,824,931
Provisions*		(37,000,000)	(36,000,000)
Others		41,226,022	125,634,440
		P 4,342,418,235	P 4,362,631,241

*Reversal of onerous lease provision

These expenses are classified in profit or loss in the interim consolidated statements of comprehensive income as follows:

	For the Six Months Ended	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Selling and distribution expenses	P 3,257,013,896	P 2,962,056,887
General and administrative expenses	1,085,404,339	1,400,574,354
	P 4,342,418,235	P 4,362,631,241

18. TAXES

EMI and its Philippine subsidiaries ("Philippine Group") are subject to the higher of regular corporate income tax ("RCIT") at 25% of net taxable income, or minimum corporate income tax ("MCIT") at 2% in 2025 and 2024 of gross income for, as defined under the Philippine tax regulations. The Philippine Group declared RCIT for the six months ended June 30, 2025 and 2024 as RCIT was higher in those periods.

The Philippine Group opts to claim itemized deductions in computing its income tax due, except for EDI, Progreen and AWGI which opt to claim optional standard deduction during the same taxable periods.

Taxes also include the final tax withheld on interest income.

EMI's foreign subsidiaries are subject to income and other taxes based on the enacted tax laws of the countries and/or jurisdictions where they operate.

The components of tax expense as reported in the interim consolidated statements of comprehensive income are as follows:

	For the Six Months Ended	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<i>Reported in profit or loss:</i>		
Current tax expense		
RCIT at 30%, 25% and 17%	P 326,527,528	P 575,533,871
Final tax on interest	<u>14,653,618</u>	<u>19,158,363</u>
	341,181,146	594,692,234
Deferred tax expense relating to origination and reversal of other temporary differences	<u>53,120,776</u>	<u>128,690,604</u>
	<u>P 394,301,922</u>	<u>P 723,382,838</u>
<i>Reported in other comprehensive income or loss –</i>		
Deferred tax expense relating to retirement benefit obligation re-measurement	<u>P 35,113,000</u>	<u>P 74,808,000</u>

The deferred tax assets and liabilities relate to the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Brand valuation	(P 3,741,770,872)	(P 3,703,730,348)
Fair value adjustment	(580,347,128)	(574,447,058)
Short-term temporary differences	(609,288,564)	(449,843,404)
Retirement benefit asset	(154,911,608)	(110,084,608)
PFRS 16 impact	25,325,384	25,325,384
Capitalized borrowing costs	(35,511,708)	(35,511,708)
NOLCO	96,073,335	88,227,067
Allowance for impairment	<u>81,225,560</u>	<u>112,295,323</u>
Net deferred tax liabilities	<u>(P 4,919,205,601)</u>	<u>(P 4,647,769,352)</u>

These are presented in the interim consolidated statements of financial position as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred tax liabilities - net	(P 5,278,483,074)	(P 5,037,395,096)
Deferred tax assets - net	<u>359,277,473</u>	<u>389,625,744</u>
	<u>(P 4,919,205,601)</u>	<u>(P 4,647,769,352)</u>

19. RELATED PARTY TRANSACTIONS

The Group's related parties include the ultimate parent company, stockholders, officers and employees, and other related parties under common ownership.

The summary of the Group's significant transactions with its related parties for the six months ended June 30, 2025 and 2024 and the related outstanding balances as of June 30, 2025 and December 31, 2024 are shown below.

Related Party Category	Notes	Amount of Transaction For the Six Months Ended		Outstanding Receivable (Payable)	
		June 30, 2025	June 30, 2024	June 30, 2025	December 31, 2024
Ultimate Parent Company:					
Dividends	20.2	2,376,512,514	3,001,910,544	-	-
Lease of properties	19.2(a)	13,912,500	13,912,500	-	(14,886,375)
Related Parties Under Common Ownership:					
Purchase of raw materials and services	19.1	368,939,274	681,207,532	(150,848,157)	(61,615,067)
Purchase of finished goods	19.1	203,460,956	187,995,777	(100,218,001)	(119,602,369)
Lease of properties	19.2(b),(c), (d)	57,466,550	57,232,985	(7,000)	(7,454,269)
Sale of goods	19.3	77,515,469	27,627,659	167,828,013	157,017,552
Management services earned	19.5	-	17,322,242	-	-
Refundable deposits	19.2(b),(c)	-	-	8,194,027	9,852,753
Officers and Employees -					
Advances granted (collected)	19.4	692,874,902	618,066,798	725,798,600	32,923,698

The Group's outstanding receivables from and payables to related parties arising from the above transactions are unsecured, noninterest-bearing and payable on demand, unless otherwise stated. No impairment loss was recognized in the first six months of 2025 and 2024 for related party receivables.

19.1 Purchase of Goods and Services

The Group imports raw materials such as alcohol, flavorings and other items, and finished goods through Andresons Global, Inc. ("AGL"), a related party under common ownership. These purchases are generally being paid directly to the suppliers within 30 to 90 days. The Group also imports raw materials from Alcoholera dela Mancha Vinicola, S.L., a wholly-owned subsidiary of BLC, which is considered a related party under joint control (see Note 11) and finished goods from Great American Foods, Inc. ("GAFI"), a related party under common ownership and the manufacturer of Piknik.

The related unpaid purchases as of June 30, 2025 and December 31, 2024 are shown as part of Trade payables under the Trade and Other Payables account in the interim consolidated statements of financial position (see Note 14).

19.2 Lease Agreements

The Group recognized right-of-use assets ("ROUA") and lease liabilities from lease agreements, which will be amortized and paid, respectively, over the lease term in lieu of the annual rent expense. Amortization of ROUA and interest expense recognized from the lease liabilities are presented as part of Depreciation and amortization under the Costs of Goods Sold and General and Administrative Expenses accounts (see Notes 16 and 17) and as part of Interest Expense account in the interim consolidated statements of comprehensive income, respectively.

The outstanding ROUA and lease liabilities from these lease agreements are presented as part of Property, Plant, and Equipment – net account and Lease Liabilities account, respectively, in the interim consolidated statements of financial position (see Note 8).

(a) AGI

AWGI leases the glass manufacturing plant located in Laguna from AGI. The amount of rental is mutually agreed upon by the parties at the start of each year, as provided in their lease contract.

There was no outstanding balance as of June 30, 2025. The outstanding balance as of December 31, 2024 was paid in full during the current interim period. There were no refundable security deposits as of June 30, 2025 and December 31, 2024.

(b) Megaworld Corporation

EDI, PAI and AWGI entered into lease contracts with Megaworld Corporation, a related party under common ownership, for their head office spaces for a period of five years, subject to 5% increase in annual rent. In 2024, the lease contracts of PAI were terminated while the lease contracts of EDI and AWGI were transferred to MREIT, Inc., a subsidiary of Megaworld and a related party under common ownership.

The refundable security deposits paid to the lessors are shown as part of Other Non-current Assets account in the interim consolidated statements of financial position (see Note 10.2).

AWGI and EDI also lease the parking spaces while World's Finest leases the building space of Megaworld which are considered as low value assets based on the provision of PFRS16. The related rent expense amounting to P15.3 million and P17.1 million in 2025 and 2024, respectively, are presented as part of Rentals under the General and Administrative Expenses account in the interim consolidated statements of comprehensive income. The outstanding liability arising from this as of June 30, 2025 and December 31, 2024 is presented as part of Accrued expenses under the Trade and Other Payables account in the interim consolidated statement of financial position.

(c) MREIT, Inc.

In relation to the lease contracts entered into by EDI and AWGI with Megaworld in Note 19.2 (b), Megaworld transferred, assigned and conveyed the leased properties to MREIT, Inc., including all the former's rights, interest and obligations under the lease contracts, and extending the lease term to 10 years ending in 2034. The Group paid rentals of P23.5 million and P22.4 million for the first six months of 2025 and 2024, respectively.

The refundable security deposits paid to the lessors are shown as part of Other Non-current Assets account in the interim consolidated statements of financial position (see Note 10.2).

(d) Empire East Land Holdings, Inc.

EDI has a lease contract with Empire East Land Holdings, Inc., a related party under common ownership, for its office and warehouse. The Group paid P18.7 million and P17.8 million in rentals for the first six months of 2025 and 2024, respectively.

19.3 Sale of Goods

The Group sold finished goods to related parties. Goods are sold on the basis of the price lists in force and terms that would be available to non-related parties. The outstanding receivables from sale of goods are generally noninterest-bearing, unsecured and settled through cash within three to six months. These receivables are presented as part of Trade receivables under the Trade and Other Receivables account in the interim consolidated statements of financial position (see Note 6).

19.4 Advances to Officers and Employees

In the normal course of business, the Group grants noninterest-bearing, unsecured, and payable on demand or subject to liquidation cash advances to certain officers and employees. The outstanding balance arising from these transactions is presented as Advances to officers and employees under the Trade and Other Receivables account in the interim consolidated statements of financial position (see Note 6).

The movements in the balance of Advances to officers and employees are as follows:

	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)
Balance at beginning of period	P 32,923,698	P	359,591,136
Additions	742,944,668		579,519,363
Payments	(50,069,766)	(906,186,801)
Balance at end of period	<u>P 725,798,600</u>	P	<u>32,923,698</u>

19.5 Management Services

EDI has a management agreement with GAFI for the rendering of management and administration services presented as part of Other income under the Revenues and Other Income section of the interim consolidated statements of comprehensive income (see Note 15).

20. EQUITY

20.1 Treasury Shares

A series of buy-back programs were authorized by the Parent Company's BOD that lasted from May 16, 2017 up to December 31, 2021. The allotment was fully used up by the end of June 30, 2021. No transactions had transpired since then. As of June 30, 2025 and December 31, 2024, the Parent Company has 505.92 million shares amounting to P4.28 billion in treasury and presented under Treasury Shares account in the interim consolidated statement of changes in equity.

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired.

The 65.48 million shares held by a subsidiary amounting to P467.60 million were also reported as part of Treasury Shares.

20.2 Declaration of Dividends

The Parent's Company's cash dividend declaration in the periods reported are as follows:

Date of Declaration	Date of Stockholders' Record	Payable Date	Dividend per Share	Total
January 15, 2025 April 1, 2024	January 31, 2025 May 2, 2024	February 18, 2025 May 24, 2024	P0.1900 P0.2400	P2,989,929,535 P3,890,753,097

The Parent Company's retained earnings is restricted for distribution as dividends up to the cost of the Parent Company's treasury shares (see Note 20.1).

20.3 Subsidiaries with Non-controlling Interest

The composition of non-controlling interest account is as follows:

	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)
DBLC	P 819,569,712	P	1,154,872,626
Boozylife	(24,722,052)	(23,868,273)
	<u>P 794,847,660</u>	P	<u>1,131,004,353</u>

21. EARNINGS PER SHARE

Earnings per share were computed as follows:

	For the Six Months Ended June 30, 2025 (Unaudited)		June 30, 2024 (Unaudited)
Consolidated net profit attributable to owners of parent company	P 3,943,428,598	P	3,806,209,241
Divided by number of outstanding common shares	<u>15,670,991,338</u>		<u>15,670,991,338</u>
Basic earnings per share	<u>P 0.25</u>	P	<u>0.24</u>
Consolidated net profit attributable to owners of parent company	P 3,943,428,598	P	3,806,209,241
Divided by number of potential dilutive shares	<u>16,327,991,338</u>		<u>16,327,991,338</u>
Diluted earnings per share	<u>P 0.24</u>	P	<u>0.23</u>

The treasury shares under the buy-back program (see Note 20.1) and those held by a subsidiary do not form part of outstanding shares.

22. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks which result from its operating activities. The main types of risks are market risk, credit risk, liquidity risk and price risk. There have been no significant changes in the Group's financial risk management objectives and policies during the period.

The Group's risk management is coordinated with AGI, in close cooperation with the BOD appointed by AGI, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets.

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

22.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from its operating, investing and financing activities.

(a) *Foreign Currency Risk*

Most of the Group's transactions are carried out in Philippine pesos, United States ("US") dollars, Euros, and UK pounds, which are the entities' functional currencies. Exposures to currency exchange rates arise from the Group's foreign currency-denominated transactions at each entity level. The Group has no significant exposure to other foreign currency exchange rates at each entity level, except for US dollars of EDI and foreign subsidiaries, since these other foreign currencies are not significant to the Group's interim consolidated financial statements. EDI has cash and cash equivalents in US dollars as of June 30, 2025 and December 31, 2024 while the foreign subsidiaries have cash and cash equivalents, receivables and payables in US dollars. To mitigate the Group's exposure to foreign currency risk, non-functional currency cash flows are being monitored.

U.S. dollars foreign currency-denominated financial assets and financial liabilities with exposure to foreign currency risk, translated into Philippine pesos at the closing rate, are as follows:

	<u>June 30, 2025</u> <u>(Unaudited)</u>	<u>December 31, 2024</u> <u>(Audited)</u>
Financial assets	P 358,541,512	P 900,610,804
Financial liabilities	(1,332,742,019)	(1,385,556,823)
	<u>(P 974,200,507)</u>	<u>(P 484,946,019)</u>

The following table illustrates the sensitivity of the Group's consolidated profit before tax with respect to changes in Philippine pesos against US dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 68% confidence level.

	<u>Reasonably possible change in rate</u>	<u>Effect in consolidated profit before tax</u>	<u>Effect in consolidated equity</u>
June 30, 2025	4.91%	(P 47,833,245)	(P 35,874,934)
December 31, 2024	4.70%	(P 22,792,463)	(P 17,094,347)

Euro foreign currency-denominated financial assets and financial liabilities with exposure to foreign currency risk, translated into Philippine pesos at the closing rate, are as follows:

	<u>June 30, 2025</u> <u>(Unaudited)</u>	<u>December 31, 2024</u> <u>(Audited)</u>
Financial assets	P 143,852,699	P 249,644,950
Financial liabilities	(18,681,509,866)	(19,972,574,551)
	<u>(P 18,537,657,167)</u>	<u>(P 19,722,929,601)</u>

The following table illustrates the sensitivity of the Group's consolidated profit before tax with respect to changes in Philippine pesos against Euro exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 68% confidence level.

	<u>Reasonably possible change in rate</u>	<u>Effect in consolidated profit before tax</u>	<u>Effect in consolidated equity</u>
June 30, 2025	9.13%	(P 1,692,346,442)	(P 1,269,259,831)
December 31, 2024	22.57%	(P 4,451,465,211)	(P 3,338,598,908)

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

(b) Interest Rate Risk

As at June 30, 2025 and December 31, 2024, the Group is exposed to changes in market rates through its cash in banks and short-term placements which are generally subject to 30-day re-pricing intervals (see Note 5). Due to the short duration of short-term placements, management believes that interest rate sensitivity and its effect on the net results and equity are not significant. The Group's interest-bearing loans and borrowings are subject to fixed interest rates and are therefore not subject to interest rate risk, except for certain loans that are based on Euro Interbank Offered Rate ("EURIBOR") and Sterling Overnight Index Average ("SONIA"). The Group does not see a material interest rate risk here in the short-term. The sensitivity of the Group's profit before tax on its loans arising from EURIBOR is analyzed based on a reasonably possible change in interest rates of +/-1.53% in 2025 and +/-1.81 in 2024. These changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months, estimated at 68% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at each reporting date, with effect estimated from the beginning of the year. All other variables held constant, if EURIBOR increased by 1.53% and 1.81% in June 30, 2025 and December 31, 2024, profit before tax would have decreased by P283.8 million and P342.3 million, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax in June 30, 2025 and December 31, 2024 would have been higher by the same amounts.

The sensitivity of the Group's profit before tax on its loans arising from SONIA is analyzed based on a reasonably possible change in interest rates of +/-1.05% in 2025 and +/-0.65% in 2024. These changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months, estimated at 68% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at each reporting date, with effect estimated from the beginning of the year. All other variables held constant, if SONIA increased by 1.05% and 0.65% in June 30, 2025 and December 31, 2024, profit before tax would have decreased by P169.4 million and P87.8 million, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax in June 30, 2025 and December 31, 2024 would have been higher by the same amounts.

(c) Other Price Risk

The Group was exposed to other price risk in respect of its financial instruments at fair value through profit or loss ("FVTPL"), which pertain to marketable equity securities and derivative instruments arising from foreign exchange margins trading spot and forward contracts. These financial instruments will continue to be measured at fair value based on quoted market prices and the index reference provided by certain foreign financial institution and through reference to quoted bid prices, respectively. The Group believes that the change in foreign exchange rate related to foreign exchange margins trading spot and forward contracts will not materially affect the interim consolidated financial statements.

22.2 Credit Risk

Credit risk is the risk that counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments arising from granting advances and selling goods to customers including related parties and placing deposits with banks.

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

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

	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash and cash equivalents	5	P 10,196,634,490	P 9,739,188,511
Trade and other receivables – net	6	15,121,486,770	18,060,200,624
Refundable security deposits	10	63,367,554	52,653,036
		<u>P 25,381,488,814</u>	<u>P 27,852,042,171</u>

The Group's management considers that all the above financial assets that are not impaired as at the end of reporting period under review are of good credit quality.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash and cash equivalents include cash in banks and short-term placements in the Philippines which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution, which was increased to P1.0 million effective March 15, 2025.

(b) Trade and Other Receivables and Refundable Security Deposits

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

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets).

Based on application of ECL methodology on the trade receivables, the allowance for impairment is deemed to be adequate; hence, no further credit losses were recognized.

Management believes that any additional expected credit losses from the application of the ECL methodology would not be material to the Group's interim consolidated financial statements.

For the advances to related parties and refundable security deposits, the lifetime ECL rate is assessed at 0%, as there was no historical credit loss experience from the counterparties. The counterparties have low credit risk and strong financial position and sufficient liquidity to settle its obligations to the Group once they become due.

22.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 60-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The contractual maturities of Trade and Other Payables (except for output VAT payable, withholding tax payables and advances from suppliers under Others) and Interest-bearing Loans reflect the gross cash flows, which approximate the carrying values of the liabilities at the end of each reporting period.

The maturity profile of the Group's financial liabilities as of June 30, 2025 and December 31, 2024 based on contractual undiscounted payments is as follows:

June 30, 2025 (Unaudited)				
	CURRENT		NON-CURRENT	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Interest-bearing loans	P 1,035,633,143	P 1,033,509,814	P 38,104,103,547	P -
Trade and other payables	17,723,067,544	-	-	-
Lease liabilities	<u>136,674,479</u>	<u>105,664,562</u>	<u>539,847,099</u>	<u>295,269,769</u>
	<u>P 18,895,375,166</u>	<u>P 1,139,174,376</u>	<u>P 38,643,950,646</u>	<u>P 295,269,769</u>
December 31, 2024 (Audited)				
	CURRENT		NON-CURRENT	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Interest-bearing loans	P 1,108,244,958	P 1,105,528,522	P 36,667,959,803	P -
Trade and other payables	16,289,528,800	-	-	-
Lease liabilities	<u>138,266,183</u>	<u>138,266,183</u>	<u>640,409,187</u>	<u>349,627,196</u>
	<u>P 17,536,039,941</u>	<u>P 1,243,794,705</u>	<u>P 37,308,368,990</u>	<u>P 349,627,196</u>

The Group maintains cash to meet its liquidity requirements for up to seven-day periods. Excess cash funds are invested in short-term placements.

23. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

23.1 Carrying Values and Fair Values of Financial Assets and Financial Liabilities

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the interim consolidated statements of financial position are shown below.

		June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets					
Financial assets					
at amortized cost:					
Cash and cash equivalents	5	P 10,196,634,490	P 10,196,634,490	P 9,739,188,511	P 9,739,188,511
Trade and other receivables	6	15,121,486,770	15,121,486,770	18,060,200,624	18,060,200,624
Refundable security deposits	10	63,367,554	63,367,554	52,653,036	52,653,036
		P 25,381,488,814	P 25,381,488,814	P 27,852,042,171	P 27,852,042,171
Financial assets at FVTPL		P 612,107,229	P 612,107,229	P 543,477,409	P 543,477,409
Financial Liabilities					
Financial liabilities					
at amortized cost:					
Interest -bearing loans	12	P 35,471,959,038	P 35,471,959,038	P 33,432,555,421	P32,350,231,479
Trade and other payables	14	17,723,067,544	17,723,067,544	16,289,528,800	16,289,528,800
Lease liabilities	8.3	1,077,455,909	1,077,455,909	1,077,368,965	1,077,368,965
		P 54,272,482,491	P 54,272,482,491	P 50,799,453,186	P 49,717,129,244

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

23.2 Offsetting of Financial Assets and Financial Liabilities

Currently, the Group's financial assets and financial liabilities are settled on a gross basis because there is no relevant offsetting arrangement on them as of June 30, 2025 and December 31, 2024. In subsequent reporting periods, each party to the financial instruments (particularly those involving related parties) may decide to enter into an offsetting arrangement in the event of default of the other party.

24. FAIR VALUE MEASUREMENT AND DISCLOSURES

24.1 Fair Value Hierarchy

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

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

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

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

24.2 Financial Instruments Measured at Fair Value

The Group's financial instruments measured at fair value pertain to the Group's marketable equity securities and derivative instruments. These were presented as financial assets at FVTPL amounting to P612.1 million and P543.5 million as of June 30, 2025 and December 31, 2024, respectively.

Marketable equity securities classified as financial assets at FVTPL are included in Level 1 as their prices are derived from quoted prices in the active market that the entity can access at the measurement date.

The derivative financial instruments, which comprise of foreign exchange spots and forward contracts, are included in Level 2. The fair values of derivative financial instruments that are not quoted in an active market are determined through valuation techniques using the net present value computation.

24.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The following table summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the interim consolidated statements of financial position but for which fair value is disclosed.

June 30, 2025 (Unaudited)				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 10,196,634,490	P -	P -	P 10,196,634,490
Trade and other receivables	-	-	15,121,486,770	15,121,486,770
Refundable security deposits	-	-	63,367,554	63,367,554
	P 10,196,634,490	P -	P 15,184,854,324	P 25,381,488,814
Financial liabilities:				
Interest-bearing loans	P -	P -	P 35,471,959,038	P 35,471,959,038
Trade and other payables	-	-	17,723,067,544	17,723,067,544
Lease liabilities	-	-	1,077,455,909	1,077,455,909
	P -	P -	P 54,272,482,491	P 54,272,482,491

December 31, 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 9,739,188,511	P -	P -	P 9,739,188,511
Trade and other receivables	-	-	18,060,200,624	18,060,200,624
Refundable security deposits	-	-	52,653,036	52,653,036
	P 9,739,188,511	P -	P 18,112,853,660	P 27,852,042,171
Financial liabilities:				
Interest-bearing loans	P -	P -	P 32,350,231,479	P 32,350,231,479
Trade and other payables	-	-	16,289,528,800	16,289,528,800
Lease liabilities	-	-	1,077,368,965	1,077,368,965
	P -	P -	P 49,717,129,244	P 49,717,129,244

For financial assets with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented in the face of the interim consolidated statements of financial position. Capital at the end of each reporting period is summarized as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Total liabilities	P 62,352,358,195	P 59,000,392,978
Total equity	101,423,078,780	100,526,907,736
Liabilities-to-equity ratio	P 0.61 : 1.00	P 0.59 : 1.00

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

EMPERADOR INC. AND SUBSIDIARIES
AGING SCHEDULE OF TRADE AND OTHER RECEIVABLES

June 30, 2025

(Amounts in Thousand Philippine Pesos)

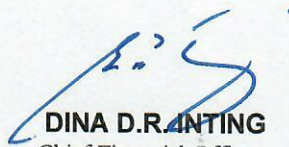
Trade Receivables	
Current	12,536,643
1 to 30 days	1,088,306
31 to 60 days	581,550
Over 60 days	<u>912,855</u>
Total	15,119,354
Other receivables	<u>2,930,205</u>
Balance	<u><u>18,049,559</u></u>

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: **EMPERADOR INC.**

By:


DINA D.R. ANTING
Chief Financial Officer,
Corporate Information Officer,
Compliance Officer
& Duly Authorized Officer
(Principal Financial/Accounting Officer)
August 8, 2025