

#### 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, 2024

- 2. Commission identification number...... A200117595
- 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. 7<sup>th</sup> Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
  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, 2024
Common issued	16,242,391,176
Less Treasury	<u>505,919,938</u>
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 [v] 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, 2023 ("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 for each type of asset, liability, income and expense. The amendments to existing standards adopted by the Group effective January 1, 2024 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).

## **Business Segments**

The Group is organized into two segments, the Brandy and Scotch Whisky, which represent the two major distilled spirits categories where the Group operates. Scotch Whisky pertains to the UK operations and the rest fall under Brandy. 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 is in Note 1 to ICFS and ACFS.

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

## Five Key Performance Indicators

- o Revenue growth measures the percentage change in revenues over a designated period
- Net profit growth the percentage change in net profit over a designated period
- 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
- o 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
In Million Pesos	2024	2023	2024	2023	2024	2023
Revenues and other income	28,644	31,109	15,521	15,518	13,123	15,591
Net profit ["NP"]	3,873	4,819	2,115	2,477	1,757	2,342
NP to owners ["NPO"]	3,806	4,732	2,068	2,414	1,738	2,318
Revenue growth	-7.9%	10.9%	0	-1%	-15.8%	26.4%
NP growth	-19.6%	-9.1%	-14.6%	-22%	-25.0%	10.0%
NPO growth	-19.6%	-9.7%	-14.3%	-23%	-25.0%	10.5%
GPR	33.1%	35.0%	33.4%	36.7%	32.8%	33.4%
NPR	13.5%	15.5%	13.6%	16.0%	13.4%	15.0%
NPOR	13.3%	15.2%	13.3%	15.6%	13.3%	14.9%
ROA	2.5%	3.4%	1.3%	1.8%	1.1%	1.6%
EBITDA	6,132	7,022	3,256	3,606	2,876	3,416
Interest expense	783	757	395	476	388	282
Interest cover	7.83x	9.27x	8.2x	7.6x	7.41x	12.13x
	June 30,				March 31,	Dec 31,
	2024				2024	2023
Quick assets	29,751				33,194	29,966
Current assets	83,732				84,618	79,459
Current liabilities	34,779				33,328	29,232
Total Assets	157,267				155,704	148,709
Current ratio	2.4x				2.5x	2.7x
Quick ratio	0.9x				1.0x	1.0x

Results of Operations – First Six Months 2024 vs 2023

Emperador Group posted double-digit quarter-on-quarter ("QoQ") growths in second quarter ("Q2") this year, indicating improving sales in global markets for the Group's products. Revenues and other income grew 18% QoQ to P15.5 billion, with net profit ("NP") and net profit to owners ("NPO") rising 20% and 19% QoQ, respectively, to P2.1 billion. Gross profit rate ("GPR") of 33% and NP rate ("NPR") of 14% improved slightly from Q1. Year-on-year ("YoY"), these Q2 revenues and other income grew flatly and softened the fall in NP and NPO to 15% and 14%, respectively.

While global beverage alcohol markets stayed subdued during the first half of current year ("H1"), as households remain generally under considerable financial pressure<sup>1</sup> due to rising prices<sup>23</sup>, the Group remains resilient due to its diversified product portfolio, which covers

<sup>&</sup>lt;sup>1</sup> Latest report from IWSR showed that consumers are cutting back on alcohol spending as cost-of-living pressures eat into their disposable income. ~ *Source: theiwsr.com* 

<sup>&</sup>lt;sup>2</sup> Consumer price index ("CPI") has been rising worldwide, particularly in major countries where the Group has presence. ~ *Source: tradingeconomics.com* 

<sup>&</sup>lt;sup>3</sup> The world food price index has risen from 117.7 points in January 2024 to 118.8 points in March and further rising to 121.0 points in June. ~ *Source: Food and Agriculture Organization of UN* 

numerous price points, and its wide distribution reach in over 100 global markets. Tucking in the Group's QoQ performance in Q2, revenues and other income in H1 stood at P28.6 billion, realizing NPO of P3.8 billion out of NP of P3.9 billion, with GPR, NPR and NPOR of 33%, 14% and 13%, respectively, which were slightly up when compared to Q1 rates of this year.

While GP margins were easily swayed by product-sales mix, the Group's GPR stayed within 33% of sales for Q2 and H1 this year. The Group kept prudent watch of its operating expenses, maintaining these expenses at just about 15% of revenues and other income, thereby showing a 13% reduction YoY. Interest expense went up slightly (+P0.03 billion) from higher interest costs this year driven by higher interest rates (EURIBOR and SONIA) on a higher principal base than a year ago. EBITDA<sup>4</sup> rate was posted at 21% for Q2 and H1 this year.

The Brandy segment turned over revenues and other income from its external customers in Q2 of P8.8 billion, which was at about same level as same period last year, yet increasing 12% QoQ, bringing the H1 total to P16.7 billion which was behind by 10% YoY. Most global markets stayed soft in H1, with the Segment's Q2 sales stronger QoQ and YoY in Latin America and Asia. GPRs were stable at 24% in Q2 and H1 this year, slightly lower than a year ago due to high costs of inputs on product mix. Operating expenses for H1 went down 29% YoY (-P0.7 billion) to P1.8 billion from lower selling expenses. Interest expense went down 17% YoY (-P0.1 billion) due to variable interest on ELS from a year ago<sup>5</sup>. Consequently, both NP and NPO in Q2 were respectively higher 14% and 11% QoQ, pushing H1 totals to P1.8 billion and P1.7 billion, respectively, both lower by about 12% YoY. NPR and NPOR, however, were kept at same rate as a year ago of 11% and 10%, respectively. EBITDA rate for H1 reached 19%, same as a year ago.

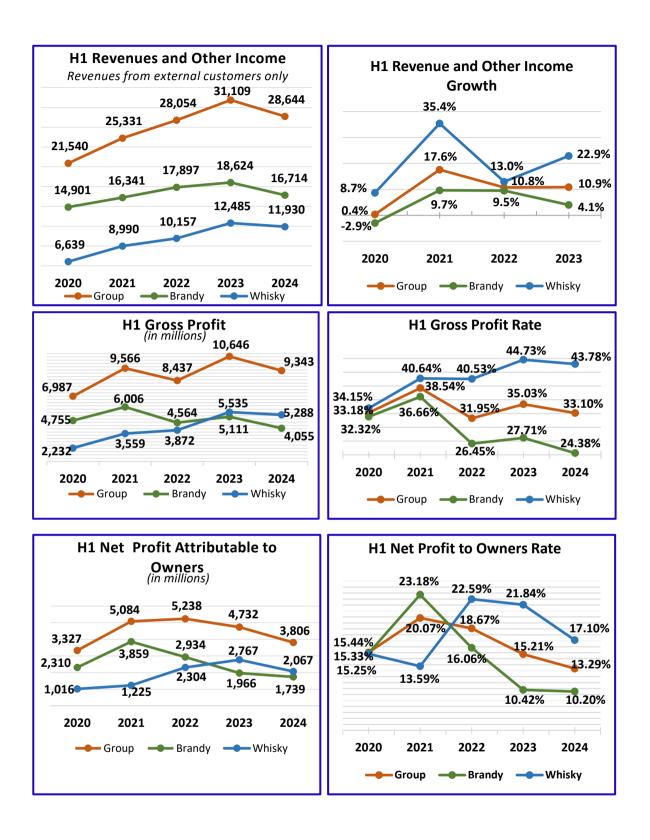
The Scotch Whisky segment turned over external revenues and other income in Q2 at same level as a year ago of P6.7 billion, yet increasing 27% QoQ, bringing the H1 total to P11.9 billion which was slightly behind by 4% YoY. While the global markets remain lackluster, some positive signs were showing as household spending rebalances. The Segment's sales in Q2 were edging strongly QoQ and YoY in Asia-Pacific, Latin America and Global Travel Retail. GPR remained healthy at 44% for Q2 and H1 this year as compared to 43% and 45% of respective periods last year, due to product-sales mix. Operating expenses for H1 went up slightly by 4% YoY (+P0.1 billion), particularly from higher advertising and promotions, while interest expense doubled YoY (+P0.1 billion) from additional loan drawdowns during the interim period. Consequently, NP (which is same as its NPO) went up 26% QoQ, yet behind 20% YoY, resulting in H1 total of P2.1 billion, 25% less than last year (-P0.7 billion) with NPR of 17% as compared to 22% from a year ago. EBITDA rate went down to 24% in Q2 and H1 from 27% a year ago.

The Scotch Whisky contribution to the Group's revenues and other income from external customers continued to grow, as shown below:

Revenue and other income share	H1 2024	H1 2023	Q2 2024	Q2 2023	Q1 2024	Q1 2023	Q1 2022	YE 2023	YE 2022	YE 2021	YE 2020	YE 2019
Brandy	58%	60%	57%	57%	60%	63%	62%	61%	65%	67%	70%	73%
S. Whisky	42%	40%	43%	43%	40%	37%	38%	39%	35%	33%	30%	27%

<sup>&</sup>lt;sup>4</sup> EBITDA refers to profit before interest expense, income tax, depreciation and amortization.

<sup>&</sup>lt;sup>5</sup> This current year's variable interest followed the last year-end presentation under Equity.



In Million Pesos	H1 2024	H1 2023	YoY	%	Q2 2024	Q2 2023	YoY %	QoQ%	Q1 2024	Q1 2023	YoY 2024 %
Revenue and other income	28,644	31,109	(2,465)	(7.9%)	15,521	15,518	0.0%	18.3%	13,123	15,591	(15.8%)
Brandy*	16,714	18,624	(1,910)	(10.3%)	8,836	8,866	(0.3%)	12.2%	7,878	9,758	(19.3%)
Whisky*	11,930	12,485	(555)	(4.4%)	6,685	6,652	0.5%	27.4%	5,245	5,833	(10.1%)
Gross profit ["GP"]	9,343	10,646	(1,302)	(12.2%)	5,129	5,542	(7.5%)	21.7%	4,215	5,103	(17.4%)
Brandy	4,055	5,111	(1,056)	(20.7%)	2,176	2,734	(20.4%)	15.7%	1,880	2,376	(20.9%)
Whisky	5,288	5,535	(247)	(4.5%)	2,953	2,808	5.2%	26.5%	2,335	2,727	(14.4%)
NP before tax	4,597	5,578	(982)	(17.6%)	2,466	2,788	(11.5%)	15.8%	2,130	2,790	(23.7%)
Brandy	2,073	2,385	(314)	(13.1%)	1,046	1,149	(8.9%)	2.0%	1,026	1,237	(17.1%)
Whisky	2,524	3,193	(668)	(20.9%)	1,420	1,639	(13.4%)	28.6%	1,104	1,553	(28.9%)
Tax expense	724	759	(35)	(4.6%)	351	311	12.9%	(5.8%)	373	448	(16.8%)
Brandy	267	333	(67)	(20.0%)	83	103	(19.3%)	(54.9%)	184	231	(20.3%)
Whisky	457	426	32	7.4%	268	208	28.8%	42.0%	189	217	(13.1%)
NP	3,873	4,819	(947)	(19.6%)	2,115	2,477	(14.6%)	20.3%	1,757	2,342	(25.0%)
Brandy	1,806	2,052	(247)	(12.0%)	963	1,046	(7.9%)	14.4%	842	1,006	16.3%)
Whisky	2,067	2,767	(700)	(25.3%)	1,152	1,431	(19.5%)	25.8%	915	1,336	(31.5%)
NP to owners ["NPO"]	3,806	4,732	(926)	(19.6%)	2,068	2,414	(14.3%)	19.0%	1,738	2,318	(25.0%)
Brandy	1,739	1,966	(227)	(11.5%)	916	983	(6.8%)	11.3%	823	982	(16.2%)
Whisky	2,067	2,767	(700)	(25.3%)	1,152	1,431	(19.5%)	25.8%	915	1,336	(31.5%)
EBITDA	6,132	7,022	(890)	(12.7%)	3,256	3,606	(9.7%)	13.2%	2,876	3,416	(15.8%)
Brandy	3,178	3,548	(370)	(10.4%)	1,598	1,818	(12.1%)	1.1%	1,580	1,730	(8.7%)
Whisky	2,954	3,474	(520)	(15.0%)	1,658	1,788	(7.3%)	28.0%	1,296	1,685	(23.1%)
GPR**	33.10%	35.03%			33.39%	36.65%			32.77%	33.43%	
Brandy	24.38%	27.71%			24.43%	30.87%			24.31%	24.80%	
Whisky	43.78%	44.73%			43.64%	43.34%			43.96%	46.27%	
NP rate ["NPR"]	13.52%	15.49%			13.63%	15.96%			13.39%	15.02%	
Brandy	10.59%	10.88%			10.64%	11.64%			10.54%	10.19%	
Whisky	17.10%	21.84%			17.00%	21.20%			17.22%	22.56%	
NPO rate											
["NPOR"]	13.29%	15.21%			13.32%	15.56%			13.25%	14.87%	
Brandy	10.20%	10.42%			10.12%	10.94%			10.30%	9.95%	
Whisky	17.10%	21.84%			17.00%	21.20%			17.22%	22.56%	
EBITDA margin	21.41%	22.57%			20.98%	23.24%			21.91%	21.91%	
Brandy	18.65%	18.81%			17.65%	20.23%			19.78%	17.52%	
Whisky	24.43%	27.42%			24.48%	26.51%			24.38%	28.45%	

Comparative results by segment are shown in the following tables.

\*Segment Revenues are from external customers only.

#### Brandy Segment

In Million Pesos	H1 2024	H1 2023	YoY	YoY %	Q2 2024	Q2 2023	YoY%	QoQ %	Q1 2024	Q1 2023	YoY %
REVENUES AND OTHER INCOME- External	16,714	18,624	(1,910)	(10.3%)	8,836	8,866	(0.3%)	12.2%	7,878	9,758	(19.3%)
Intersegment	331	240	90	37.7%	220	120	83.0%	98.3%	111	120	(7.7%)
Total	17,045	18,864	(1,820)	(9.6%)	9,056	8,986	0.8%	13.4%	7,989	9,878	(19.1%)
Cost of Goods Sold - External	12,420	13,147	(727)	(5.5%)	6,638	6,030	10.1%	14.8%	5,782	7,117	(18.8%)
Intersegment	160	185	(25)	(13.5%)	90	95	(5.2%)	28.6%	70	90	(22.2%)
Total	12,580	13,332	(752)	(5.6%)	6,728	6,125	9.8%	15.0%	5,852	7,207	(18.8%)
Gross Profit ["GP"]	4,055	5,111	(1,056)	(20.7%)	2,176	2,734	(20.4%)	15.7%	1,880	2,376	(20.9%)
Other operating expenses	1,832	2,578	(746)	(28.9%)	1,014	1,372	(26.1%)	23.9%	818	1,205	(32.1%)
Selling and distribution expense	1,031	1,912	(881)	(46.1%)	566	1,008	(43.9%)	21.7%	465	904	(48.6%)
General and administrative expense	801	666	135	20.3%	448	365	22.9%	26.9%	353	301	17.2%
Interest and other charges	560	569	(8)	(1.5%)	268	339	(21.1%)	(8.5%)	293	229	27.5%
NP before tax	2,073	2,385	(314)	(13.1%)	1,046	1,149	(8.9%)	2.0%	1,026	1,237	(17.1%)
Tax expense	267	333	(67)	(20.0%)	83	103	(19.3%)	(54.9%)	184	231	(20.3%)
NP	1,806	2,052	(247)	(12.0%)	963	1,046	(7.9%)	14.4%	842	1,006	(16.3%)
NPO	1,739	1,966	(227)	(11.5%)	916	983	(6.8%)	11.3%	823	982	(16.2%)

#### EMPERADOR INC.

17-Q June 30, 2024

	H1	H1	YoY	YoY %	Q2	Q2	YoY%	QoQ %	Q1	Q1	
In Million Pesos	2024	2023	101	101 //	2024	2023	101 //		2024	2023	YoY %
EBITDA	3,178	3,548	(370)	(10.4%)	1,598	1,818	(12.1%)	1.1%	1,580	1,730	(8.7%)
GPR	24.38%	27.71%			24.43%	30.87%			24.31%	24.80%	
NPOR	10.20%	10.42%			10.12%	10.94%			10.30%	9.95%	
EBITDA Margin	18.65%	18.81%			17.65%	20.23%			19.78%	17.52%	
Scotch Whisky Segment											
In Million Pesos	H1 2024	H1 2023	YoY	YoY %	Q2 2024	Q2 2023	YoY%	QoQ %	Q1 2024	Q1 2023	YoY %
REVENUES AND OTHER INCOME- External	11,930	12,485	(555)	(4.4%)	6,685	6,652	0.5%	27.4%	5,245	5,833	(10.1%)
Intersegment	160	185	(25)	(13.5%)	90	95	(5.2%)	28.6%	70	90	(22.2%
Total	12,090	12,670	(580)	(4.6%)	6,775	6,747	0.4%	27.5%	5,315	5,923	(10.3%
Cost of Goods Sold - External	6,460	6,598	(138)	(2.1%)	3,594	3,551	1.2%	25.4%	2,866	3,047	(5.9%)
Intersegment	331	240	90	37.7%	220	120	83.0%	98.3%	111	120	(7.7%)
Total	6,791	6,838	(47)	(0.7%)	3,814	3,671	3.9%	28.1%	2,977	3,167	(6.0%)
Gross Profit ["GP"]	5,288	5,535	(247)	(4.5%)	2,953	2,808	5.2%	26.5%	2,335	2,727	(14.4%
Other operating expenses	2,531	2,425	106	4.4%	1,395	1,274	9.5%	22.9%	1,135	1,151	(1.3%)
Selling and distribution expense	1,931	1,726	205	11.9%	1,052	916	14.8%	19.6%	879	810	8.6%
General and administrative expense	600	698	(99)	(14.2%)	343	358	(4.1%)	34.0%	256	341	(24.8%
Interest and other charges	244	215	29	13.5%	146	163	(10.6%)	48.1%	98	52	88.9%
NP before tax	2,524	3,193	(668)	(20.9%)	1,420	1,639	(13.4%)	28.6%	1,104	1,553	(28.9%
Tax expense	457	426	32	7.4%	268	208	28.8%	42.0%	189	217	(13.1%
NP	2,067	2,767	(700)	(25.3%)	1,152	1,431	(19.5%)	25.8%	915	1,336	(31.5%
NPO	2,067	2,767	(700)	(25.3%)	1,152	1,431	(19.5%)	25.8%	915	1,336	(31.5%
EBITDA	2,954	3,474	(520)	(15.0%)	1,658	1,788	(7.3%)	28.0%	1,296	1,685	(23.1%
GPR	43.78%	44.73%			43.64%	43.34%			43.96%	46.27%	
NPOR	17.10%	21.84%			17.00%	21.20%			17.22%	22.56%	
EBITDA Margin	24.43%	27.42%			24.48%	26.51%			24.38%	28.45%	

## Financial Condition

Total assets amounted to P157.3 billion at June 30, 2024, a 6% increase (+P8.6 billion) from P148.7 billion at December 31, 2023. Total liabilities expanded 12% (+P6.4 billion) to P59.7 billion at end of the interim period, which represent 38% of total assets as compared to 36% at beginning of the year. The Group is strongly liquid with current assets exceeding current liabilities 2.4 times and 2.7 times at the end and beginning of the period, respectively.

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

Cash and cash equivalents depleted 16% (-P1.7 billion) to P8.9 billion at end of interim period, mainly due to dividends paid during the period. Cash flows from operations and financing activities were also used for capital expenditures, loan repayments and laying up of inventories.

Trade and other receivables went up 6% (+P1.2 billion) due to increase in trade receivables (+P1.6 billion) less collection of advances to suppliers (-P0.7 billion).

Financial assets at fair value through profit or loss went up by 0.2 billion due to translation adjustment and acquisition in the interim period.

Inventories climbed 9% (+P4.3 billion) primarily due to laying down of liquid holding for future sales (minimum 12years aging for Scotch Whisky) and producing ahead to fulfill customer orders on time without any disruption through the supply chain.

Prepayments and other current assets went up 5% (+P0.2 billion), mainly due to additional input vat in the interim and timing of prepayments for insurance, taxes and general prepayments from beginning of the year.

Property, plant and equipment increased 8% (+P2.9 billion) mainly from capital expenditures during the interim period, mainly in offshore subsidiaries, particularly in the ongoing expansion relating to Scotch Whisky business.

Investment in a joint venture rose 5% (+P0.2 billion) mainly due to share in NP and translation gain adjustment recorded during the period.

Retirement benefit assets surged 138% (+P0.3 billion) to P0.6 billion due to changes in financial assumptions and foreign exchange adjustments.

Deferred tax assets increased 11% (+P0.02 billion) to P0.2 billion due to movements in timing differences.

Other non-current assets increased 22% (+P0.02 billion) to P0.1 billion due to increase in advances to suppliers and refundable security deposits.

Current Interest-bearing loans went up 62% (+P4.2 billion) to P11.0 billion while non-current portion went up 3% (+P0.5 billion) to P19.7 billion due to drawdowns in Scotland loan facility and changes in translation of Euro and GBP loans, offset by repayments of bank loans.

Trade and other payables went up 11% (+P2.2 billion) to P22.0 billion due to timing of purchases for production and accruals of expenses.

Current lease liabilities fell 13% (-P0.02 billion) to P0.1 billion and non-current lease liabilities jumped 6% (+P0.03 billion) to P0.5 billion primarily due to translation adjustments and interest amortization.

Income tax payable went down 34% (-P0.9 billion) to P1.7 billion mainly from payment of fourth quarter income tax that fell due within Q2.

Provisions deceased 5% (-P0.02 billion) to P0.3 billion from release of onerous lease provision which was no longer required.

Deferred tax liabilities jumped 8% (+P0.3 billion) due to movements in timing differences.

Equity attributable to owners went up 3% (+P2.4 billion) to P96.3 billion from net profit during the period (+P3.8 billion), translation gain in translating financial statements of foreign subsidiaries (+P1.8 billion) and other reserves (+P0.7 billion) reduced by the amount of dividends declared and paid during the interim period (-P3.9 billion).

Non-controlling interest pertains primarily to the minority interest in DBLC and Boozylife. The decrease of P0.2 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.

In Million Pesos	June 30,	Mar 31,	Dec 31
	2024	2024	2023
Debt [Loans]	30,686	28,158	25,967
Equity	97,581	98,301	95,408
Total Capitalization	128,267	126,459	121,375
Total Liabilities	59,686	57,404	53,301
Debt-to-equity ratio	0.31	0.29	0.27
Liabilities-to-equity ratio	0.61	0.58	0.56
Current ratio	2.41x	2.54x	2.72x
Quick ratio	0.86x	1.00x	1.03x
Deturn en essete	2.46%	1.13%	6.01%
Return on assets	6mos.	3mos.	1yr
Solveney ratio [EPITDA/Debt]	20%	10%	53%
Solvency ratio [EBITDA/Debt]	6mos.	3mos.	1yr

## Other Required Disclosures

As of June 30, 2024, 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, 2024

	06/30/24	12/31/23
Current ratio	2.41	2.72
Quick ratio	0.86	1.03
Liabilities-to-equity ratio	0.61	0.56
Debt-to-equity ratio	0.31	0.27
Asset -to-equity ratio	1.61	1.56
	H1 2024	H1 2023
Net profit margin	14%	15%
Return on assets	3%	3%
Return on equity/investment	4%	5%
Solvency Ratio	20%	28%
Interest rate coverage ratio	6.87	8.36

LIQUIDITY RATIOS measure the business' ability to pay short-term obligations. Current ratio - computed as current assets divided by current liabilities Quick ratio - computed a 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 profit before income tax and interest expense ("EBIT") divided by interest.

ASSET-TO-EQUITY RATIOS 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 STATEMENT OF FINANCIAL POSITION JUNE 30, 2024 (Amounts in Philippine Pesos)

	Notes	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 8,861,539,101	P 10,513,125,613
Trade and other receivables - net	6	20,334,509,187	19,097,681,408
Financial assets at fair value through profit or loss	24.2	554,901,073	355,505,670
Inventories - net	7	50,728,523,664	46,393,208,336
Prepayments and other current assets	10.1	3,252,579,614	3,099,233,593
Total Current Assets		83,732,052,639	79,458,754,620
NON-CURRENT ASSETS			
Property, plant and equipment - net	8	37,089,240,027	34,211,767,973
Intangible assets - net	9	31,827,414,213	30,985,814,991
Investment in a joint venture	11		
Retirement benefit asset - net	11	3,692,741,465	3,504,392,773
	10	574,120,718	241,317,197
Deferred tax assets - net Other non-current assets - net	18 10.2	232,146,098 119,464,078	209,113,132 98,057,885
	10.2		
Total Non-current Assets		73,535,126,599	69,250,463,951
TOTAL ASSETS		P 157,267,179,238	P 148,709,218,571
<b>CURRENT LIABILITIES</b> Interest-bearing loans Trade and other payables	12 14	P 10,991,576,700 21,956,955,399	P 6,781,720,685 19,720,624,174
Lease liabilities	8.3	143,391,010	164,031,838
Income tax payable	0.5	1,686,783,365	2,565,374,355
Total Current Liabilities			
Total Current Liabilities		34,778,706,474	29,231,751,052
NON-CURRENT LIABILITIES	10	10 (04 10( (50	10 105 502 400
Interest-bearing loans	12	19,694,126,658	19,185,583,420
Lease liabilities	8.3	475,089,625	447,170,215
Provisions		291,074,904	306,194,770
Deferred tax liabilities - net	18	4,447,176,906	4,130,626,820
Total Non-current Liabilities		24,907,468,093	24,069,575,225
Total Liabilities	25	59,686,174,567	53,301,326,277
EQUITY	25		
Equity attributable to owners of the parent company		96,330,899,996	93,924,858,639
Non-controlling interest		1,250,104,675	1,483,033,655
Total Equity		97,581,004,671	95,407,892,294
TOTAL LIABILITIES AND EQUITY		P 157,267,179,238	P 148,709,218,571

#### EMPERADOR INC. AND SUBSIDIARIES (A Subsidiary of Alliance Global Group, Inc.) INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (Amounts in Philippine Pesos) (UNAUDITED)

			Six M	Ionths			Qu	arter	
	Notes		2024		2023		2024		2023
REVENUES AND OTHER INCOME	15	Р	28,643,718,720	Р	31,108,992,922	Р	15,520,967,052	Р	15,517,502,769
COSTS AND EXPENSES									
Costs of goods sold	16		18,880,465,402		19,744,885,193		10,232,319,669		9,580,908,576
Selling and distribution expenses	17		2,962,056,887		3,637,841,183		1,617,788,865		1,923,943,561
General and administrative expenses	17		1,400,574,354		1,364,367,270		791,273,292		722,385,507
Interest expense	12		783,033,648		757,348,189		394,862,259		475,662,769
Other charges - net	7		21,654,548		26,763,876		18,712,665		26,763,876
0			24,047,784,839		25,531,205,711		13,054,956,750		12,729,664,289
PROFIT BEFORE TAX			4,595,933,881		5,577,787,211		2,466,010,302		2,787,838,480
TAX EXPENSE	18		723,382,838		758,509,309		350,923,808		310,906,066
NET PROFIT			3,872,551,043		4,819,277,902		2,115,086,494		2,476,932,414
OTHER COMPREHENSIVE INCOME Item that will be reclassified subsequently to profit or loss Translation gain Items that will not be reclassified subsquently to profit or loss			1,471,544,288		1,136,293,355		732,346,988		954,685,207
Net actuarial gain (loss) on retirement benefit plan Tax income (expense) on remeasurement of			299,232,000		314,703,996		83,818,000	(	105,788,004
retirement benefit plan		(	74,808,000)	(	78,676,000)	(	20,954,500)		26,447,000
			224,424,000		236,027,996		62,863,500	(	79,341,004)
Total Other Comprehensive Income			1,695,968,288		1,372,321,351		795,210,488		875,344,203
TOTAL COMPREHENSIVE INCOME		P	5,568,519,331	Р	6,191,599,253	Р	2,910,296,982	P	3,352,276,617
Net profit attributable to:									
Owners of the parent company		Р	3,806,209,241	Р	4,732,496,291	Р	2,068,023,930	Р	2,414,087,032
Non-controlling interest			66,341,802		86,781,611		47,062,564	-	62,845,382
		Р	3,872,551,043	Р	4,819,277,902	Р	2,115,086,494	Р	2,476,932,414
Total comprehensive income (loss) attributable to:									
Owners of the parent company		Р	5,801,448,311	Р	6,028,733,997	Р	3,028,757,578	Р	3,167,228,550
Non-controlling interest		(	232,928,980)		162,865,256	(	118,460,596)		185,048,067
-		Р	5,568,519,331	Р	6,191,599,253	Р	2,910,296,982	Р	3,352,276,617
Earnings Per Share for the Net Profit Attributable		Р	0.24	Р	0.30	Р	0.13	Р	0.15
to Owners of the Parent Company - Basic	21	r	0.24	r	0.50	r	0.13	ľ	0.15
Earnings Per Share for the Net Profit Attributable		n	0.22	D	0.20	n	0.42	D	
to Owners of the Parent Company - Diluted	21	P	0.23	Р	0.29	Р	0.13	Р	0.15

See Selected Explanatory Notes to Interim Consolidated Financial Statements.

#### EMPERADOR INC. AND SUBSIDIARIES (A slubsidary of Alliance Global Georgi, Iac.) INTERIM CONSULDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 29, 2024 AND 2023 (Anomati & Philipping Pass)

							Attributable to	Owners of the Parent Com	pany							
		Capital Stock	Additional Paid-in Capital	Deposit on Future Stock Subscription ELS	Treasury Shares	Conversion Options Outstanding	Share Options Outstanding	Accumulated Translation Adjustments	Revaluation Reserves	Other Reserves	Appropriated	Retained Earnings Unappropriated	Total	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2024 Movements during the year Transfer to equity reserves Total comprehensive income for the year Cash dividends declared during the year	Р	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) - - 1,770,815,070	(P 705,719,200) - - - 224,424,000	P 828,321,157 495,346,143 23,444,560 - -	P 1,200,000,000	P 55,167,247,701 - ( 23,444,560 ) 3,806,209,241 ( 3,890,753,097 )	P 56,367,247,701 ( 23,444,560 ) 3,806,209,241 ( 3,890,753,097 )	P 93,924,858,639 495,346,143 - 5,801,448,311 ( 3,890,753,097)	P 1,483,033,655 - - ( 232,928,980 ) -	P 95,407,892,294 495,346,143 - 5,568,519,331 (
Balance at June 30, 2024	Р	16,242,391,176	P 23,106,377,832	P 3,443,750,000	( <u>P 4,747,713,903</u> )	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 96,330,899,996	P 1,250,104,675	P 97,581,004,671
Balance at January 1, 2023 Movements during the year Transfer to equity reserves Cash dividends declared during the year Total comprehensive income for the year	Р	16,242,391,176 - -	P 23,106,377,832	₽ 3,443,750,000 - - - - -	(P 4,747,713,903) - - - -	P 88,498,401 - - -	P 260,187,993 - - -	(P 3,562,632,158) - - 1,060,209,710	(P 490,095,980) - - - 236,027,996	P 435,975,889 316,375,675 57,076,965 -	P 1,200,000,000	P 51,415,199,973 ( 57,076,965) ( 4,563,576,659) 4,732,496,291	P 52,615,199,973 ( 57,076,965) ( 4,563,576,659) 4,732,496,291	P 87,391,939,223 316,375,675 ( 4,563,576,659 ) 6,028,733,997	P 1,197,483,893 - - - 162,865,256	P 88,589,423,116 316,375,675 ( 4,563,576,659 ) 6,191,599,253
Balance at June 30, 2023	Р	16,242,391,176	P 23,106,377,832	P 3,443,750,000	( <u>P 4,747,713,903</u> )	P 88,498,401	P 260,187,993	( <u>P 2,502,422,448</u> )	( <u>P 254,067,984</u> )	P 809,428,529	P 1,200,000,000	P 51,527,042,640	P 52,727,042,640	P 89,173,472,236	P 1,360,349,149	P 90,533,821,385

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, 2024 AND 2023 (Amounts in Philippine Pesos)

	Notes		2024		2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		Р	4,595,933,881	Р	5,577,787,211
Adjustments for:		-	.,,,	-	
Depreciation and amortization	8		753,249,697		686,233,816
Interest expense	12		783,033,648		757,348,189
Interest income	15	(	211,720,535)	(	371,522,688)
Share in net profit of a joint venture	15	ì	71,536,653 )	(	42,594,970)
Provisions	17	ì	36,000,000 )	(	-
Impairment losses on trade and other receivables	6,20	(	4,564,460		_
Amortization of trademarks	9		-		538,464
Operating profit before working capital changes			5,817,524,498		6,607,790,022
Decrease (increase) in trade and other receivables		(	1,008,950,808)		5,636,179,477
Increase in financial instruments		(	_,,,		.,,.,.,,,
at fair value through profit or loss		(	182,048,843)	(	241,031,285)
Increase in inventories		ì	3,187,171,583)	(	3,977,080,975)
Decrease in prepayments and other current assets		(	109,485,738	(	67,658,506
Increase in other non-current assets		(	21,072,332)	(	18,984,830)
Decrease (increase) in trade and other payables		(	2,532,132,251	(	3,784,176,139)
Increase in retirement benefit asset		(	34,805,355)	(	32,989,427)
Cash generated from operations		(	4,025,093,566	(	4,257,365,349
		(	1,640,908,833 )	(	1,285,229,031)
Cash paid for income taxes		(	1,040,908,833	(	1,265,229,051
Net Cash From Operating Activities			2,384,184,733		2,972,136,318
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of property, plant and equipment	8	(	3,486,376,364)	(	1,472,814,573)
Proceeds from sale of property, plant and equipment	8	(	208,948	(	481,920
Interest received	5		224,941,984		379,825,459
Net Cash Used in Investing Activities		(	3,261,225,432)	(	1,092,507,194)
CASH FLOWS FROM FINANCING ACTIVITIES					
	12		4 725 124 741		4 1 20 2 40 400
Proceeds from interest-bearing loans		(	4,735,134,741	(	4,120,349,400
Repayments of interest-bearing loans Interest paid	12	(	854,300,883)	(	3,792,823,260)
1	24	$\left( \right)$	764,626,574 ) 3,890,753,097 )	(	535,874,915) 4,563,576,659)
Dividends paid	24	(	3,890,753,097)	(	4,505,570,059)
Net Cash From Financing Activities		(	774,545,813)	(	4,771,925,434)
NET DECREASE IN CASH AND CASH EQUIVALENTS	5	(	1,651,586,512 )	(	2,892,296,310)
CASH AND CASH EQUIVALENTS AT JANUARY 1			10,513,125,613		12,738,118,244
CASH AND CASH EQUIVALENTS AT JUNE 30		Р	8,861,539,101	Р	9,845,821,934

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, 2024 AND 2023 (With Comparative Audited Figures for December 31, 2023) (Amounts in Philippine Pesos) (UNAUDITED)

#### 1. CORPORATE INFORMATION

Emperador Inc. ("EMI" or "EMP" 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 leisure-entertainment and hospitality businesses.

The registered principal office of EMI is located at 7<sup>th</sup> 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:

	Percentage of Effective Ownership		
Names of Subsidiaries	June 30, 2024	December 31, 2023	
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 Agricorp Inc. ("Progreen")	100%	100%	
South Point Science Park Inc.	100%	100%	
The Bar Beverage, Inc.	100%	100%	
Tradewind Estates, Inc. ("TEI")	100%	100%	
Boozylife Inc. ("Boozylife")	62%	62%	
Cocos Vodka Distillers Philippines, Inc.	100%	100%	
Zabana Rum Company, Inc.	100%	100%	
The World's Finest Liquor Inc.	100%	100%	

	Percentage of Effective Ownership		
	June 30,	December 31,	
Names of Subsidiaries and Joint Venture	2024	2023	
EIL and offshore subsidiaries and joint venture:			
Emperador International Ltd. ("EIL")	100%	100%	
Emperador Holdings (GB) Limited ("EGB")	100%	100%	
Emperador UK Limited ("EUK")	100%	100%	
Whyte and Mackay Group Limited ("WMG")	100%	100%	
Whyte and Mackay Global Limited ('WMGL'')	100%	100%	
Whyte and Mackay Limited ('WML'')	100%	100%	
Whyte and Mackay Warehousing Limited ("WMWL")	100%	100%	
Emperador Asia Pte. Ltd. ("EA")	100%	100%	
Grupo Emperador Spain, S.A. ("GES")	100%	100%	
Bodega San Bruno, S.L. ('BSB")	100%	100%	
Bodegas Fundador, S.L.U. ('BFS")	100%	100%	
Grupo Emperador Gestion S.L ("GEG")	100%	100%	
Stillman Spirits, S.L. ("Stillman")	100%	100%	
Domecq Bodega Las Copas, S.L. ("DBLC")	50%	50%	
Bodegas Las Copas, S.L.("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, 2023 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, 2024 (including the comparative financial information as of December 31, 2023 and for the six months ended June 30, 2023) were authorized for issue by the Parent Company's Board of Directors ("BOD") through the Audit Committee on August 6, 2024.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies 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, 2023 except for the application of amendments to standards that became effective on January 1, 2024 (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, 2024 and 2023 ("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, 2023.

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 Standards

(a) Effective in 2024 that are Relevant to the Group

The Group adopted for the first time the following amendments and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2024. These do not have material impact on the ICFS as these pronouncements merely clarify existing requirements.

- (i) PAS 1 (Amendments), Presentation of Financial Statements- Classification of Liabilities as Current or Non-current
- (ii) PAS 1 (Amendments), Presentation of Financial Statements- Non-current Liabilities with Covenants
- (iii) PAS 7 (Amendments), Cash Flow Statements and PFRS 7 (Amendments), Financial Instruments: Disclosures- Supplier Finance Arrangements
- (iv) PAS 16 (Amendments), Leases- Lease Liability in a Sale and Leaseback
- (b) Effective Subsequent to 2024 but not Adopted Early

PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates* (effective from January 1, 2025) are amendments to existing standards effective for annual periods subsequent to 2024, 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.

#### 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 annual consolidated financial statements as of and for the year ended December 31, 2023 ("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, 2024 and as of December 31, 2023, 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 2024 in the commitments and contingencies disclosed in the ACFS (see Note 23.11). 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, 2024 and 2023 and as of December 31, 2023 (in millions) are presented below.

	BRANDY June 30		SCOTCH June		SEGMENT TOTALS June 30		
	<u>2024</u>	<u>2023</u>	<u>2024</u>	2023	<u>2024</u>	<u>2023</u>	
<b>REVENUES AND OTHER</b>							
INCOME							
External Customers	P 16,714	P 18,624	P 11,930	P 12,485	P 28,644	P 31,109	
Intersegment sales*	331	240	<u>160</u>	185	<u>491</u>	425	
	17,045	18,864	12,090	12,670	29,135	31,534	
COSTS AND EXPENSES							
Cost of goods sold	12,420	13,147	6,460	6,598	18,880	19,745	
Intersegment cost of goods sold*	160	185	331	240	491	425	
Selling and distribution expenses	1,031	1,912	1,931	1,726	2,962	3,638	
General and administrative expenses	801	666	600	698	1,401	1,364	
Interest expense and other charges	<u>560</u>	569	<u>244</u>	215	<u>804</u>	784	
	<u>14,972</u>	16,479	<u>9,566</u>	<u>9,477</u>	24,538	25,956	
SEGMENT PROFIT BEFORE TAX	2,073	2,385	2,524	3,193	4,597	5,578	
TAX EXPENSE	267	333	457	426	724	759	
SEGMENT NET PROFIT	<u>P 1,806</u>	<u>P 2,052</u>	P 2,067	<u>P 2,767</u>	<u>P 3,873</u>	<u>P 4,819</u>	
Depreciation and Amortization	575	523	178	164	753	687	
Interest expense	531	639	252	118	783	757	
Share in net profit of JV	72	43	-	-	72	43	
	June 30,	Dec31,	June 30,	Dec31,	June 30,	Dec31,	
	2024	2023	2024	2023	2024	2023	
TOTAL ASSETS	P 144,190	P 150,747	P 76,538	P 67,607	P 220,727	P 218,354	
TOTAL LIABILITIES	50,820	55,604	23,765	17,485	74,584	73,089	

\*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 64% 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):

	Segment <u>Totals</u>		Intercompany <u>Accounts</u>		Consolidated <u>Balances</u>	
June 2024						
Revenues and other income	P 2	9,135	Р	(491)	Р	28,644
Cost and expenses	2	4,538		(491)		24,047
Total assets	22	0,727		(63,460)		157,267
Total liabilities	7	4,584		(14,898)		59,686
Other segment information:						
Depreciation and amortization		753		-		753
Interest expense		783		-		783
Share in net profit of JV		72		-		72
June 2023						
Revenues and other income	3	1,534		(425)		31,109
Cost and expenses	2	5,956		(425)		25,531
Other segment information:						
Depreciation and amortization		687		-		687
Interest expense		757		-		757
Share in net profit of joint venture		43		-		43
December 2023						
Total assets	21	8,354		(69,645)		148,709
Total liabilities	7	3,089		(19,787)		53,301

## 5. CASH AND CASH EQUIVALENTS

This account includes the following components:

	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
Cash on hand and in banks Short-term placements	Р	4,347,951,730 4,513,587,371	Р	4,286,286,543 6,226,839,070
	<u>P</u>	8,861,539,101	<u>P</u>	10,513,125,613

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements have an average maturity of 30 to 64 days and earn effective annual interest rates ranging from 2.8% to 6.0% in the first half of 2024 and from 5.2% to 6.1% in the first half of 2023. Interest earned amounted to P211.7 million and P371.5 million in the first half of 2024 and 2023, 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, 2024 (Unaudited)	De	ecember 31, 2023 (Audited)
Trade receivables	19.3	Р	15,673,760,770	Р	14,044,982,841
Advances to suppliers			4,189,548,699		4,843,852,140
Advances to officers					
and employees	19.4		618,066,798		359,591,136
Accrued interest receivable			1,911,618		15,133,067
Other receivables			146,198,779		131,711,247
			20,629,486,664		19,395,270,431
Allowance for impairment		(	<u>294,977,477</u> )	(	<u>297,589,023</u> )
		<u>P</u>	20,334,509,187	<u> P</u>	19,097,681,408

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 2024 and 2023 for those receivables found to be impaired (see Note 22.2). A reconciliation of the allowance for impairment is shown below.

	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
Balance at beginning of period Recoveries	P	297,589,023 9,651,096)	P	180,655,094 7,358,400)
Impairment losses Translation adjustment	(	4,564,460 2,475,090	(	120,264,334 4,027,995
Balance at end of period	<u>P</u>	294,977,477	<u>P</u>	297,589,023

Recoveries pertain to collections of certain receivables previously provided with allowance. There were no write-offs of receivables in 2024 and 2023.

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, 2024 (Unaudited)		•		December 31, 2023 (Audited)	
At cost:							
Finished goods	16, 19	Р	7,491,875,298	Р	7,265,045,032		
Work-in-process	16, 19		33,419,087,769		30,562,603,015		
Raw materials	16, 19		6,422,439,724		5,684,271,416		
Packaging materials	16, 19		514,675,024		462,510,960		
Machinery spare parts, consumables and							
factory supplies			388,672,009		412,219,373		
factory supplies			48,236,749,824		44,386,649,796		
At net realizable value: Finished goods							
Cost	16, 19		2,214,479,736		1,816,416,980		
Allowance for			_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-,,,,		
impairment		(	289,388,880)	(	288,866,970)		
Packaging materials		``		<b>`</b>			
Cost	16, 19		683,264,880		613,129,580		
Allowance for			,,		,,		
impairment		(	116,581,896)	(	134,121,050)		
I		<u> </u>	2,491,773,840	(	2,006,558,540		
			_,,,010		-100010001010		
		<u>P</u>	50,728,523,664	P	46,393,208,336		

WML has a substantial inventory of aged stocks which mature over periods of up to 60 years. The maturing whisky stock inventory amounting to P27.8 billion and P25.2 billion as of June 30, 2024 and December 31, 2023, 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, 2024 and 2023 is presented in Note 16.

#### 8. PROPERTY, PLANT AND EQUIPMENT

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

	Notes		June 30, 2024 (Unaudited)	December 31, 2023 (Audited)		
Property, plant and equipment Right-of-use assets	8.1 8.2	Р	36,529,312,534 559,927,493	Р	33,651,737,301 560,030,672	
		P	37,089,240,027	Р	34,211,767,973	

#### 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, 2024 (Unaudited)		December 31, 2023 (Audited)		
Cost Accumulated depreciation and amortization	Р (	56,422,985,180 <u>19,893,672,646</u> )	Р (	52,266,692,077 18,614,954,776)		
Net carrying amount	<u>P</u>	36,529,312,534	<u>P</u>	33,651,737,301		

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, 2024 (Unaudited)		December 31, 2023 (Audited)	
Balance at beginning of the period, net of accumulated depreciation and and amortization Additions during the period	Р	33,651,737,301 3,448,479,016	Р	28,859,820,438 4,784,942,658
Translation adjustment		442,415,213		858,748,170
Disposal during the period	(	208,948)	(	9,804,991)
Reclassifications from non-current assets classified as held for sale				961,744,740
Reclassifications	(	46,760,677)		
Derecognition		-	(	945,857)
Depreciation and amortization charges for the period	(	<u>966,349,371</u> )	(	1,802,767,857)
Balance at the end of the period, net of accumulated depreciation and and amortization	<u>P</u>	36,529,312,534	<u>P</u>	33,651,737,301

The amount of depreciation and amortization is allocated as follows:

		For the Six Months Ended				
	<u>Notes</u>		une 30, 2024 Unaudited)		June 30, 2023 (Unaudited)	
Costs of goods sold	16	Р	529,709,082	Р	523,059,917	
Selling and distribution expenses	17		48,967,135		47,093,069	
General and administrative expenses	17		128,039,354		70,085,926	
1			706,715,571		640,238,912	
Capitalized to inventories			259,633,800		210,250,288	
		<u>P</u>	966,349,371	<u>P</u>	850,489,200	

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.

	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
Cost Accumulated amortization	P (	1,545,902,178 985,974,685)	Р (	1,487,902,049 927,871,377)
Net carrying amount	<u>P</u>	559,927,493	<u>P</u>	560,030,672

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

	•	une 30, 2024 Unaudited)	Decen	nber 31, 2023 (Audited)
Balance at beginning of the period, net of accumulated amortization Amortization charges for the period Translation adjustment Additions during the period	Р (	560,030,672 46,534,126) 8,533,599 37,897,348	Р (	396,200,194 103,587,271) 7,829,041 259,588,708
Balance at the end of the period, net of accumulated amortization	<u>P</u>	559,927,493	<u>P</u>	560,030,672

The amount of amortization in 2024 and 2023 is allocated as follows:

		For the Six Months Ended			
	Notes	•	ine 30, 2024 Unaudited)	-	une 30, 2023 (Unaudited)
Costs of goods sold General and administrative expenses	16 17	P	18,865,985 27,668,141	Р	19,229,073 26,765,831
		<u>P</u>	46,534,126	Р	45,994,904

#### 8.3 Lease Liabilities

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

	•	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
Current Non-current	P	143,391,010 475,089,625	Р	164,031,838 447,170,215	
	<u>P</u>	618,480,635	<u>P</u>	611,202,053	

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, 2024 (Unaudited)		December 31, 2023 (Audited)	
Beginning lease liabilities Translation adjustment Interest amortization	P (	611,202,053 11,014,692) 18,293,274	Р (	594,378,028 26,269,368) 43,093,393
Ending lease liabilities	<u>P</u>	618,480,635	<u>P</u>	611,202,053

#### 9. INTANGIBLE ASSETS

This account is composed of the following:

		June 30, 2024		ecember 31, 2023
	(Unaudited)		(Audited)	
Indefinite useful lives				
Trademarks – net	Р	21,685,484,502	Р	21,125,928,781
Goodwill		10,141,929,711		9,859,886,210
	Р	31,827,414,213	Р	30,985,814,991

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, 2024 and December 31, 2023 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:

		[une 30, 2024 ( <u>Unaudited)</u>	Dee	cember 31, 2023 (Audited)
Prepaid taxes	Р	2,585,296,261	Р	1,770,166,012
Prepaid expenses		541,052,541		1,071,452,939
Deferred input value-added tax ("VAT")		960,630		163,328,227
Refundable security deposits		10,455,719		16,439,451
Others		114,814,463		77,846,964
	<u>P</u>	3,252,579,614	<u>P</u>	3,099,233,593

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 and general prepayments.

#### 10.2 Other Non-current Assets

This account is composed of the following:

	Note	•	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
Advances to suppliers Deferred input VAT Refundable security deposits Others	19.2	P	37,547,213 13,999,688 53,403,521 14,513,656	р	19,022,978 17,437,970 40,479,622 21,117,315	
		<u>P</u>	119,464,078	<u>P</u>	98,057,885	

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, 2024 (Unaudited)	December 31, 2023 (Audited)	
Acquisition costs	<u>P 2,845,367,065</u>	P 2,845,367,065	
Accumulated share in net profit: Balance at beginning of the period Share in net profit for the period Translation adjustment Balance at end of the period	659,025,708 71,536,653 <u>116,812,039</u> 847,374,400	434,304,054 111,644,188 <u>113,077,466</u> 659,025,708	
	P 3,692,741,465	P 3,504,392,773	

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, 2024 (Unaudited)		December 31, 2023 (Audited)	
Current Non-current	P 10,991,57 		6,781,720,685 19,185,583,420	
	<u>P 30,685,70</u>	<b>3,358</b> P	25,967,304,105	

Interest expense on the above loans for the periods ended June 30, 2024 and 2023 amounted to P763.5 million and 605.6 million, respectively, 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, 2024 and December 31, 2023, 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 to be until August 12, 2024 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, 2024 and June 30, 2023 amounted to P114.0 million and P137.8 million, respectively, and are presented as part of Cash Dividends Declared during the year in the 2024 interim consolidated statements of changes in equity and as part of the Interest expense account under the Cost and Expenses section of the 2023 interim consolidated statement of comprehensive income, respectively.

The ELS is presented as Deposit on 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:

	Notes		June 30, 2024 <u>(Unaudited)</u>	De	ecember 31, 2023 (Audited)
Trade payables Accrued expenses Output VAT payable Others	19.1	Р	10,997,646,158 9,246,553,108 1,324,764,123 387,992,010	Р	7,669,062,776 10,834,307,832 887,752,755 329,500,811
		P	21,956,955,399	P	19,720,624,174

## 15. REVENUES AND OTHER INCOME

The details of revenues and other income are shown below.

		For the Six Months Ended				
			June 30, 2024		June 30, 2023	
	<u>Notes</u>		(Unaudited)		(Unaudited)	
Sales	19.3	P	28,223,610,978	Р	30,390,435,462	
Others:						
Share in net profit of joint venture	11		71,536,653		42,594,970	
Others	5		348,571,089		675,962,490	
			420,107,742		718,557,460	
		<u>P</u>	28,643,718,720	<u>P</u>	31,108,992,922	

## 16. COSTS OF GOODS SOLD

The details of costs of goods sold are shown below.

		For the Six Months Ended				
	Notes	•	une 30, 2024 Unaudited)		June 30, 2023 (Unaudited)	
Finished goods, beginning	7	<u>P</u>	9,081,462,012	P	7,144,431,089	
Finished goods purchased	19.1		1,371,889,254		2,191,384,726	
Cost of goods manufactured						
Raw and packaging						
materials, beginning	7		6,759,911,956		6,555,198,631	
Net purchases	19.1		18,316,783,424		18,917,099,964	
Raw and packaging						
materials, end	7	(	7,620,379,628)	(	7,556,017,403)	
Raw materials used		<u>P</u>	17,456,315,752	<u>p</u>	17,916,281,192	
Work-in-process, beginning	7		30,562,603,015		25,603,632,966	
Direct labor			987,560,768		915,448,726	
Manufacturing overhead:						
Depreciation and amortization	8		548,575,067		542,288,990	
Taxes and licenses			362,188,940		292,932,914	
Outside services			161,887,558		187,946,615	
Communication, light, and water			161,273,879		210,052,485	
Fuel and lubricants			118,275,940		201,673,289	
Repairs and maintenance			201,166,490		227,989,750	
Commission			250,868,592		225,420,340	
Rentals			141,813,118		167,936,716	
Labor			82,089,353		68,832,876	
Waste disposal			24,574,428		28,108,827	
Insurance			29,445,693		26,443,677	
Transportation			99,478,811		12,272,979	
Meals			16,150,785		8,189,457	
Gasoline and oil			30,870,567		6,219,032	
Miscellaneous			317,418,183		106,222,162	
Work-in-process, end	7	(	33,419,087,769)	(	27,931,774,623)	
r ,		<u> </u>	18,133,469,170		18,816,118,370	
Finished goods, end	7	(	9,706,355,034)	(	8,407,048,992)	
		<u>P</u>	18,880,465,402	<u>P</u>	19,744,885,193	

#### 17. OTHER OPERATING EXPENSES

The details of operating expenses are shown below.

		For the Six Months Ended				
		J	une 30, 2024	June 30, 2023		
	Notes		Unaudited)		(Unaudited)	
Advertising and promotions		Р	1,903,894,829	Р	1,892,713,093	
Salaries and employee benefits			1,153,315,476		1,137,967,821	
Professional fees and						
outside services			291,102,420		258,112,510	
Freight and handling			128,279,099		267,032,418	
Travel and transportation			275,200,988		282,289,475	
Other services			1,076,496		228,844,697	
Depreciation and amortization	8		204,674,630		143,944,826	
Taxes and licenses			90,118,441		154,172,397	
Fuel and oil			9,928,112		71,630,127	
Repairs and maintenance			51,818,571		78,675,197	
Representation			73,204,354		82,730,147	
Rentals			30,530,564		32,739,881	
Insurance			10,824,931		30,577,447	
Supplies			26,667,066		27,078,296	
Communication, light, and water			20,727,034		24,788,442	
Meals			1,633,790		21,297,190	
Amortization of trademarks	9		-		538,464	
Provisions*		(	36,000,000)		-	
Others		·	125,634,440		267,076,025	
		<u>P</u>	4,362,631,241	<u>P</u>	5,002,208,453	

\*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, 2024 (Unaudited)			June 30, 2023 (Unaudited)	
Selling and distribution expenses General and administrative expenses	P	2,962,056,887 1,400,574,354	Р	3,637,841,183 1,364,367,270	
	<u>P</u>	4,362,631,241	<u> </u>	5,002,208,453	

#### 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 2024 and 1% in 2023 of gross income for, as defined under the Philippine tax regulations. The Philippine Group declared RCIT for the six months ended June 30, 2024 and 2023 as RCIT was higher in those periods, except for TEI.

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				
		ine 30, 2024 Unaudited)	June 30, 2023 (Unaudited)		
Reported in profit or loss:					
Current tax expense					
RCIT at 19% and 25%	Р	575,533,871	Р	597,726,976	
Final tax on interest		19,158,363		25,940,439	
MCIT		-		991,918	
		594,692,234		624,659,333	
Deferred tax expense relating to				, , ,	
origination and reversal of other					
temporary differences		128,690,604		133,849,976	
	<u>P</u>	723,382,838	<u>P</u>	758,509,309	
Reported in other comprehensive income or loss – Deferred tax expense relating to retirement					
benefit obligation re-measurement	<u>P</u>	74,808,000	<u>P</u>	78,676,000	

The deferred tax assets and liabilities relate to the following:

	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
Brand valuation	(P	3,223,033,429)	( P	3,063,799,036)
Fair value adjustment	(	499,891,163)	(	475,193,974)
Short-term temporary differences	(	399,243,492)	(	372,747,454)
Retirement benefit asset	(	143,418,800)	(	60,329,300)
PFRS 16 impact		11,580,680		11,580,680
Capitalized borrowing costs	(	37,380,745)	(	37,380,745)
NÔLCO		23,615,923		23,615,923
Allowance for impairment		52,740,218		52,740,218
Net deferred tax liabilities	( <u>P</u>	4,215,030,808)	( <u>P</u>	3,921,513,688)

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

		June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
Deferred tax liabilities - net Deferred tax assets - net	(P	4,447,176,906) 232,146,098	(P	4,130,626,820) 209,113,132	
	( <u>P</u>	4,215,030,808)	( <u>P</u>	3,921,513,688)	

## 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, 2024 and 2023 and the related outstanding balances as of June 30, 2024 and December 31, 2023 are shown below.

		Amount of Transaction For the Six Months Ended		Outstanding Receivable (Payable			0
Related Party Category	Notes	June 30, 2024	June 30, 2023		June 30, 2024	Ι	December 31, 2023
Ultimate Parent Company:							
Dividends	20.2	3,001,910,544	3,627,308,574		-		-
Lease of properties	19.2(a)	13,912,500	13,250,000		-		-
<b>Related Parties Under</b>							
Common Ownership:							
Purchase of raw materials	19.1	674,137,260	648,900,199	(	229,988,260)	(	176,251,132
Purchase of finished goods	19.1	195,066,048	279,108,188	Ì	346,544)	Ì	78,257,097
Lease of properties	19.2(b),(c)	57,232,985	57,334,688	•	-	Ì	1,026,000
Sale of goods	19.3	27,627,659	8,421,037		114,596,816		141,254,679
Management services earned	19.5	17,322,242	26,000,000		-		-
Refundable deposits	19.2(b),(c)	-	-		8,807,103		8,418,27
Stockholder -							
Advances obtained (paid)	19.5	-	( 3,070,715)		-		-
Officers and Employees -							
Advances granted (collected)	19.4	618,066,798	343,346,604		359,591,136		359,591,13

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 2024 and 2023 for related party receivables.

## 19.1 Purchase of Goods

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 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, 2024 and December 31, 2023 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 account (see Note 16) 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 were no outstanding balances or refundable security deposits arising from this lease agreement as of June 30, 2024 and December 31, 2023.

(b) Megaworld Corporation

EDI, PAI and AWGI have lease contracts with Megaworld Corporation, a related party under common ownership, for the head office space of the Group. The Group paid P24.3 million and P33.0 million in rentals for the first six months of 2024 and 2023, 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).

(c) 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 P17.8 million and P22.9 million in rentals for the first six months of 2024 and 2023, 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, 2024 (Unaudited)		December 31, 2023 (Audited)		
Balance at beginning of period Additions Payment	P (	359,591,136 482,854,805 <u>224,379,143)</u>	Р (	682,693,841 1,126,387,308 1,449,490,013)	
Balance at end of period	<u>P</u>	618,066,798	<u>P</u>	359,591,136	

#### 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 last approved allotment was fully used up by the end of June 30, 2021. As of June 30, 2024 and December 31, 2023, 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 years reported are as follows:

Date of Declaration	Date of Stockholders' Record	Payable Date	Dividend per Share	Total
April 1, 2024	May 2, 2024	May 24, 2024	P0.2400	P3,890,753,097
March 30, 2023	May 2, 2023	May 25, 2023	P0.2900	P4,563,567,659

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, 2024 (Unaudited)	De	ecember 31, 2023 (Audited)
DBLC Boozylife	P (	1,276,399,575 26,294,900)	Р (	1,508,248,078 25,214,423)
	<u>P</u>	1,250,104,675	<u>p</u>	1,483,033,655

### 21. EARNINGS PER SHARE

Earnings per share were computed as follows:

	For the Six Months Ended			
		June 30, 2024 (Unaudited)		June 30, 2023 (Unaudited)
Consolidated net profit attributable to owners of parent company	Р	P 3,806,209,241	Р	4,732,496,291
Divided by weighted average number of: outstanding common shares Basic earnings per share	<u>P</u>	<u>15,670,991,338</u> 0.24	<u>Р</u>	<u>15,670,991,338</u> <u>0.30</u>
Consolidated net profit attributable to owners of parent company Divided by weighted average number of:	Р	P 3,806,209,241	Р	4,732,496,291
potential dilutive shares		16,327,991,338		16,343,991,338
Diluted earnings per share	<u>P</u>	0.23	<u>P</u>	0.29

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, 2024 and December 31, 2023 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.

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:

		June 30, 2024 (Unaudited)	Dee	cember 31, 2023 (Audited)
Financial assets Financial liabilities	P (	1,107,371,016 1,326,208,425)	Р (	336,571,093 1,308,929,501)
	<u>(P</u>	218,837,409)	( <u>P</u>	<u>972,358,408)</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.

	Reasonably possible change in rate	Effect in consolidated profit before tax	Effect in consolidated <u>equity</u>
June 30, 2024	4.63%	( <u>P 10,132,172)</u>	( <u>P 7,599,129)</u>
December 31, 2023	5.31%	( <u>P 51,632,231)</u>	( <u>P 38,724,174)</u>

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, 2024 and December 31, 2023, 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 +/-0.74% in 2024 and +/-0.94% in 2023. 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 0.74% and 0.94% in June 30, 2024 and December 31, 2023, profit before tax would have decreased by P141.3 million and P174.7 million, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax in June 30, 2024 and December 31, 2023 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 +/-0.26% in 2024 and +/-2.14% in 2023. 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 0.26% and 2.17% in June 30, 2024 and December 31, 2023, profit before tax would have decreased by P27.1 million and P126.1 million, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax in June 30, 2024 and December 31, 2023 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 rate 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, 2024 (Unaudited)	De	cember 31, 2023 (Audited)
Cash and cash equivalents Trade and other receivables – net Refundable security deposits	5 6 10	P	8,861,539,101 15,526,893,690 63,859,240	P	10,513,125,613 13,894,238,132 56,919,073
		<u>P</u>	24,452,292,031	<u>P</u>	24,464,282,818

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.

#### (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 expected credit losses, 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 out flows 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, 2024 and December 31, 2023 based on contractual undiscounted payments is as follows:

		June 30, 2024 (Unaudited)							
		CURI	REN	Т	NON-CURRENT			JT	
	W	Within 6 months		6 to 12 months		1 to 5 years		More than 5 years	
Interest-bearing loans	Р	1,017,099,345	Р	11,492,240,271	Р	22,731,567,911	Р	-	
Trade and other payables Lease liabilities		20,348,742,758 71,695,505		- 71,695,505		- 411,118,109		- 63,971,516	
	<u>P</u>	21,437,537,608	P	11,563,935,776	<u>P</u>	23,142,686,020	<u>P</u>	63,971,516	

		December 31, 2023 (Audited)						
		CURR	ΕNΊ	1	NON-CURRENT			Г
	/	Within 6 months	6	to 12 months		1 to 5 years	Mo	re than 5 years
Interest-bearing loans	Р	879,286,839	Р	6,758,442,049	Р	19,398,813,573	Р	-
Trade and other payables		18,607,154,079		-		-		-
Lease liabilities		88,665,612	_	88,665,612	_	444,568,820		78,260,000
	<u>P</u>	19,575,106,530	P	6,847,107,661	P	19,843,382,393	<u>P</u>	78,260,000

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.

Financial Assets	Notes	June 30, 2024 Carrying Values	<u>(Unaudited)</u> Fair Values	December 31, 2 Carrying Values	<u>023 (Audited)</u> <u>Fair Values</u>
Financial assets at amortized cost: Cash and cash equivalents Trade and other receivables	5 6	P 8,861,539,101 15,526,893,690	P 8,861,539,101 15,526,893,690	P 10,513,125,613 13,894,238,132	P 10,513,125,613 13,894,238,132
Refundable security deposits	5 10	63,859,240	63,859,240	56,919,073	56,919,073
		<u>P 24,452,292,031</u>	<u>P 24,452,292,031</u>	<u>P 24,464,282,818</u>	<u>P 24,464,282,818</u>
Financial assets at FVTPL		<u>P 554,901,073</u>	<u>P 554,901,073</u>	<u>P 355,505,670</u>	<u>P 355,505,670</u>
<i>Financial Liabilities</i> Financial liabilities at amortized cost: Interest -bearing loans Trade and other payables Lease liabilities	12 14 8.3	P 30,685,703,358 20,348,742,758 618,480,635	P 30,685,703,358 20,348,742,758 618,480,635	P 25,967,304,105 18,607,154,079 611,202,053	P25,077,688,573 18,607,154,079 611,202,053
		<u>P 51,652,926,751</u>	<u>P 51,652,926,751</u>	<u>P 45,185,660,237</u>	<u>P 44,296,044,705</u>

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, 2024 and December 31, 2023. 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 P554.9 million and P355.5 million as of June 30, 2024 and December 31, 2023, 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, 2024 (Unaudited)				
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Cash and cash equivalents	P 8,861,539,101	Р -	Р -	P 8,861,539,101	
Trade and other receivables	-	-	15,526,893,690	15,526,893,690	
Refundable security deposits			63,859,240	63,859,240	
	<u>P 8,861,539,101</u>	<u>l</u> <u>P</u> -	<u>P 15,590,752,930</u>	<u>P 24,452,292,031</u>	
Financial liabilities:					
Interest-bearing loans	Р -	Р -	P 30,685,703,358	P 30,685,703,358	
Trade and other payables	-	-	20,348,742,758	20,348,742,758	
Lease liabilities			618,480,635	618,480,635	
	<u>P -</u>	<u>P -</u>	<u>P 51,652,926,751</u>	<u>P 51,652,926,751</u>	

	December 31, 2023 (Audited)				
	Level 1	Level 2	Level 3	Total	
<i>Financial assets:</i> Cash and cash equivalents Trade and other receivables Refundable security deposits	P 10,513,125,613	р 	P - 13,894,238,132 56,919,073	P 10,513,125,613 13,894,238,132 56,919,073	
	<u>P 10,513,125,613</u>	<u>P -</u>	<u>P 13,951,157,205</u>	<u>P 24,464,282,818</u>	
<i>Financial liabilities:</i> Interest-bearing loans	Р -	Р -	P 25,077,688,573	P 25,077,688,573	
Trade and other payables	-	-	18,607,154,079	18,607,154,079	
Lease liabilities			611,202,053	611,202,053	
	<u>p</u>	<u>P</u>	P 44,296,044,705	P 44,296,044,705	

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, 2024 (Unaudited)		December 31, 2023 (Audited)		
Total liabilities Total equity	P	59,686,174,567 97,581,004,671	Р	53,301,326,277 95,407,892,294		
Liabilities-to-equity ratio	<u>P</u>	0.61 : 1.00	<u>P</u>	0.56 : 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, 2024 (Amounts in Thousand Philippine Pesos)

Trade Receivables

Current	12,226,232
1 to 30 days	2,462,086
31 to 60 days	172,645
Over 60 days	517,821
Total	15,378,784
Other receivables	4,955,726
Balance	20,334,510

### 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.

**EMPERADOR INC.** 

By:

Issuer:

DINA D.R. INTING Chief Financial Officer, Corporate Information Officer, Compliance Officer & Duly Authorized Officer (Principal Financial/Accounting Officer)

August 6, 2024