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S.E.C. Registration Number

EMPERADOR INC.

(Company's Full Name)

7/F 1880 EASTWOOD AVENUE, EASTWOOD CITY CYBERPARK, BAGUMBAYAN, QUEZON CITY

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

DINA D.R. INTING

Contact Person

8709-2038 to 41

Company Telephone Number

12 31

Month Day

Fiscal Year

17-Q

FORM TYPE

(**QUARTERLY REPORT FORMARCH 31, 2025)**

05 **3rd Monday**

Month Day

Annual Meeting

Registration of Securities

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended..............................**March 31, 2025**

2. Commission identification number…..… **A200117595**

3. BIR Tax Identification No.......................................**214-815-715-000**

4. Exact name of issuer as specified in its charter....**EMPERADOR INC.**

5. **METRO MANILA, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. **7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City** **1110**
   Address of issuer's principal office Postal Code

8. Issuer's telephone number, including area code……**632**-8**70920-38 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 March 31, 2025**
Common issued	**16,242,391,176**
Less Treasury	**505,919,938**
Outstanding	**15,736,471,238**

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

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

12. Indicate by check mark whether the registrant:

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

    Yes [✔] No [ ]

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

    Yes [✔] No [ ]

PART I - FINANCIAL INFORMATION

1. Financial Statements

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

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

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

Business Segments

Emperador Inc. and its subsidiaries ("the Group") is principally a global alcoholic beverage group that is organized into two segments, the Brandy and Scotch Whisky, which represent the two major distilled spirits categories where the Group operates. 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 can be found in Note 1 to ICFS and ACFS.

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

Five Key Performance Indicators

- Revenue growth – measures the percentage change in revenues over 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
- 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.

In Million Pesos	**Q1 2025**	Q1 2024
Revenues and other income	13,206	13,123
Net profit ["NP"]	1,864	1,757
NP to owners ["NPO"]	1,851	1,738
Revenue growth	1%	-15.8%
NP growth	6%	-25.0%
NPO growth	7%	-25.0%
GPR	30.0%	32.8%
NPR	14.1%	13.4%
NPOR	14.0%	13.3%
ROA	1.2%	1.1%
EBITDA	2,867	2,876
Interest expense	413	388
Interest cover	6.9x	7.4x
	March 31, 2025	**December 31, 2024**
Quick assets	27,816	30,483
Current assets	80,480	82,301
Current liabilities	21,037	20,184
Total Assets	158,832	159,527
Current ratio	3.8x	4.1x
Quick ratio	1.3x	1.5x

Results of Operations – First Quarter 2025 vs 2024

Emperador Group is on a good start as it opened the year with P1.9 billion net profit to owners ("NPO") from its global operations in the first quarter ("Q1"), growing 7% year-on-year ("YoY"), on the back of P13.2 billion revenues and other income registering a 1% modest growth, driven by its Brandy business.

This was achieved in the midst of persisting soft demand in the global beverage alcohol industry, highlighted by the shifting spending habits and consumption patterns of consumers. High inflation continued to pressure consumers' purchasing power, leading to a growing sensitivity to price and promotional activities. The Group remained resilient with its diversified product portfolio, which covers numerous price points, its wide distribution reach in over 100 global markets, and deep range of aging liquid stockholdings.

The Group maintained a considerably healthy gross profit ("GP") at 30% of sales, in spite of 14% drop in value, amid the still high costs of inputs and impact of product sales mix. Its operating expenses grew 12% YoY as the Group increased spending on advertising and promotions in support of brands, and related expenses such as travel and transportation, fuel and oil, salaries and benefits, and freight and handling increased as well. Likewise, capital expenditures offshore continued, particularly for the Scotch Whisky Segment, to pave the way for future growth. These were mostly financed through loan drawdowns, causing interest and other charges to rise 14% YoY from the additional interest costs. With all these, the Group moderated its net profit before tax at P2.1 billion, which was -2% shy on a year ago. Nevertheless, NP and NPO grew 6% and 7%, respectively, to P1.9 billion, resulting in improved NP rate ("NPR") and NPO rate ("NPOR") of 14% versus 13% a year ago because of lower income tax expense. EBITDA, on the other hand, was sustained at P2.9 billion, which was same as in comparable period last year, for 22% EBITDA rate in both comparable periods.

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

Revenue and other income share	Q1 2025	Q1 2024	Q1 2023	YE 2024	YE 2023	YE 2022	YE 2021	YE 2020
Brandy	66%	60%	63%	59%	61%	65%	67%	70%
Scotch Whisky	34%	40%	37%	41%	39%	35%	33%	30%

The Brandy Segment turned over P8.7 billion revenues and other income from external customers, up 10% YoY as domestic sales improved YoY, boosted by the double-digit growth of 'Fundador' during the quarter while 'Emperador' continued to be the leading local brandy brand. On the other hand, the performance of the other Spanish and Mexican brands, while reflective of the current global slowdown, remained strong in their local territories. 'Terry' and 'Tres Cepas' continued to lead in Spain and Equatorial Guinea, respectively. GP increased 4% in value, for an improved GPR of 25% versus 24% a year ago primarily due to product mix. Operating expenses went up 36% YoY from increased spends in advertising and promotions, freight and handling, travel and transportation, fuel and oil, and salaries and benefits. Interest and other charges declined -12% due to decreasing EURIBOR and principal base alike, and tax expense shrank due to lower taxable income. After all these, NPO swelled 76% YoY to P1.4billion at the end of Q1, reflecting 16% NPOR versus 10% a year ago. The Segment's EBITDA totaled P2.1 billion, giving 24% EBITDA rate, higher than 20% of a year ago.

The Scotch Whisky Segment turned over P4.5 billion revenues and other income from external customers, a -13% clip YoY as the Scotch Whisky industry remained weak in most markets worldwide. Sales in UK and Latin America, nevertheless, continued to climb during the quarter. GP fell -28% in value resulting in the GPR slip to 37% versus 44% a year ago, reflective of moderate single malts' sales in the product mix. Likewise, operating expenses were scaled -6% YoY due to reduced general and administrative expenditures in spite of increased selling and distribution expenses. Interest expense jumped 83% to P0.2 billion from P0.1 billion a year ago due to additional loan drawdowns for the Segment's ongoing expansion in its facilities, at a lower SONIA rate. Tax expense dropped due to the resulting lower taxable income and a deferred tax benefit this quarter. Consequently, NPO (same as NP) amounted to P0.4 billion, halved from P0.9 billion a year ago, reflecting 9% NPOR versus 17% a year ago. EBITDA reached P0.8 billion, giving 16% EBITDA rate versus 24% a year ago.

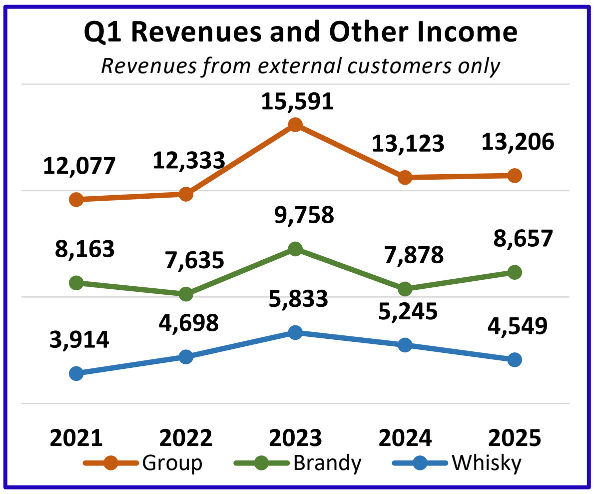
Comparative results between segments are shown in the following graphs and tables. Segment Revenues presented were from external customers only.

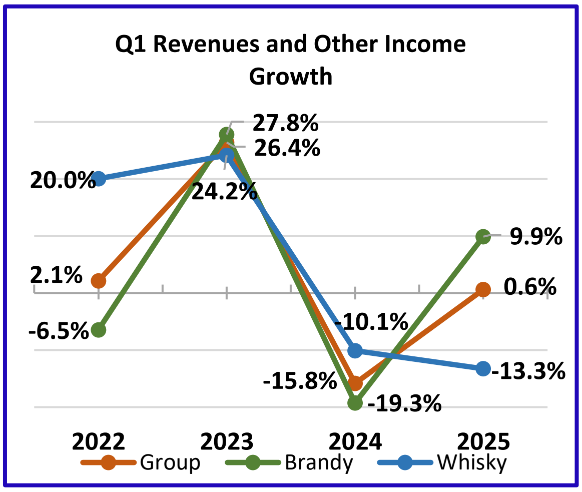
In Million Pesos	**Q1 2025**	Q1 2024	**YoY**	**%**
Revenue and other income	**13,206**	13,123	83	0.6%
Brandy	**8,657**	7,878	779	9.9%
S.Whisky	**4,549**	5,245	(696)	(13.3%)
Gross profit ["GP"]	**3,635**	4,215	(579)	(13.7%)
Brandy	**1,958**	1,880	79	4.2%
S.Whisky	**1,677**	2,335	(658)	(28.2%)
NP before tax	**2,081**	2,130	(50)	(2.3%)
Brandy	**1,605**	1,026	578	56.4%
S.Whisky	**476**	1,104	(628)	(56.9%)
Tax expense	**217**	373	(156)	(41.8%)
Brandy	**145**	184	(39)	(21.4%)
S.Whisky	**72**	189	(116)	(61.7%)
NP	**1,864**	1,757	106	6.0%
Brandy	**1,460**	842	618	73.3%
S.Whisky	**404**	915	(512)	(55.9%)
NP to owners ["NPO"]	**1,851**	1,738	113	6.5%
Brandy	**1,448**	823	625	75.9%
S.Whisky	**404**	915	(512)	(55.9%)
EBITDA	**2,867**	2,876	(8)	(0.3%)
Brandy	**2,107**	1,580	526	33.3%
S.Whisky	**761**	1,296	(535)	(41.3%)
GPR**	**29.96%**	32.77%		
Brandy	**25.13%**	24.31%		
S.Whisky	**36.77%**	43.96%		
NP rate ["NPR"]	**14.11%**	13.39%		
Brandy	**16.58%**	10.54%		
S.Whisky	**8.74%**	17.22%		
NPO rate ["NPOR"]	**14.02%**	13.25%		
Brandy	**16.44%**	10.30%		
S.Whisky	**8.74%**	17.22%		
EBITDA margin	**21.71%**	21.91%		
Brandy	**23.93%**	19.78%		
S.Whisky	**16.47%**	24.38%		

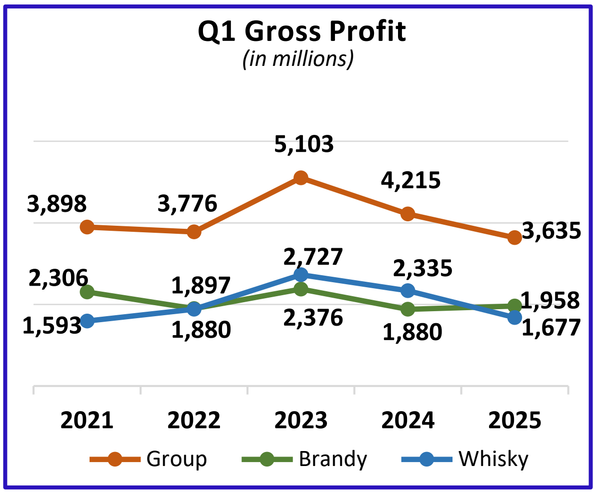
Brandy Segment				
In Million Pesos	**Q1 2025**	Q1 2024	YoY	YoY%
REVENUES AND OTHER INCOME- External customers	**8,657**	7,878	779	9.9%
Intersegment	**148**	111	37	33.1%
Total	**8,805**	7,989	816	10.2%
Cost of Goods Sold - External	**5,764**	5,782	(18)	(0.3%)
Intersegment	**70**	70		0.4%
Total	**5,834**	5,852	(18)	(0.3%)
Gross Profit ["GP"]	**1,958**	1,880	79	4.2%
Other operating expenses	**1,110**	818	292	35.7%
Selling and distribution	**773**	465	308	66.2%
General and admin.	**337**	353	(16)	(4.4%)
Interest and other charges	**256**	293	(36)	(12.5%)
NP before tax	**1,605**	1,026	578	56.4%
Tax expense	**145**	184	(39)	(21.4%)
NP	**1,460**	842	618	73.3%
NPO	**1,448**	823	625	75.9%
EBITDA	**2,107**	1,580	526	33.3%

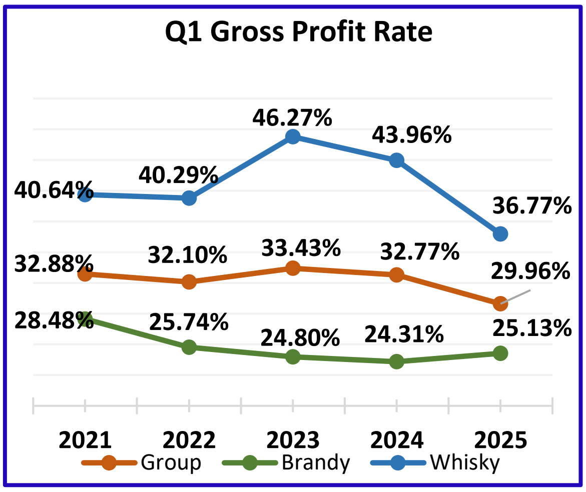
Brandy Segment				
In Million Pesos	**Q1 2025**	Q1 2024	YoY	YoY%
GPR %	**25.13**	24.31		
NPOR %	**16.44**	10.30		
EBITDA Margin %	**23.93**	19.78		

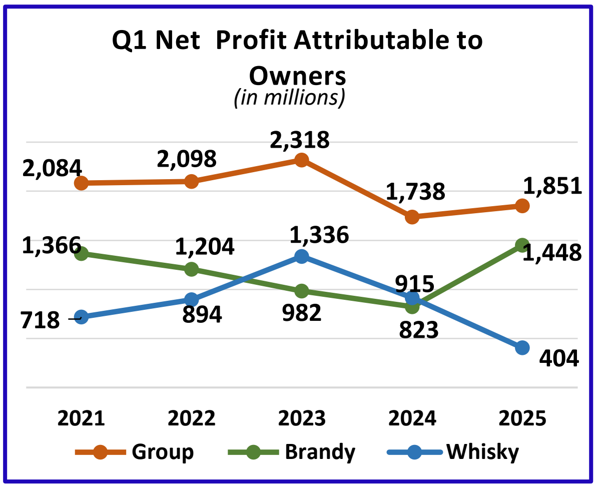
Scotch Whisky Segment				
In Million Pesos	**Q1 2025**	**Q1 2024**	YoY	YoY %
REVENUES AND OTHER INCOME- External	**4,549**	5,245	(696)	(13.3%)
Intersegment	**70**	70		0.4%
Total	**4,619**	5,315	(696)	(13.1%)
Cost of Goods Sold - External	**2,735**	2,866	(131)	(4.6%)
Intersegment	**148**	111	37	33.1%
Total	**2,883**	2,977	(94)	(3.2%)
Gross Profit ["GP"]	**1,677**	2,335	(658)	(28.2%)
Other operating expenses	**1,070**	1,135	(65)	(5.8%)
Selling and distribution	**895**	879	16	1.8%
General and admin.	**175**	256	(81)	(31.6%)
Interest and other charges	**190**	98	91	93.0%
NP before tax	**476**	1,104	(628)	(56.9%)
Tax expense	**72**	189	(116)	(61.7%)
NP	**404**	915	(512)	(55.9%)
NPO	**404**	915	(512)	(55.9%)
EBITDA	**761**	1,296	(535)	(41.3%)
GPR %	**36.77**	43.96		
NPOR %	**8.74**	17.22		
EBITDA Margin %	**16.47**	24.38		

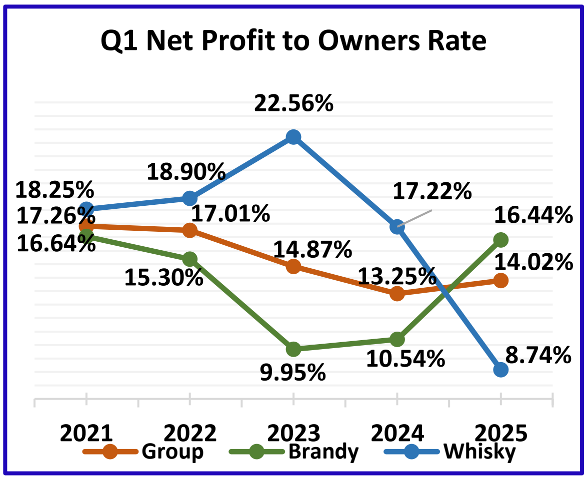












Financial Condition

Total assets amounted to P158.8 billion as at March 31, 2025, -0.4% less (-P0.7 billion) than P159.5 billion at December 31, 2024. Total liabilities slightly rose 1% (+P0.6 billion) to P59.6 billion at end of the interim period, equivalent to almost 38% of total assets and 60% of equity. The Group is strongly liquid with current assets exceeding current liabilities 3.8times and 4.1times at the end and beginning of the period, respectively.

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

Cash and cash equivalents grew 3% (+P0.3 billion) to P10.0 billion at end of interim period, mainly coming from operations, particularly collection of receivables, which supported cash used in financing and investing activities that included payments of dividends, interest and capital expenditures.

Trade and other receivables were reduced by -15% (-P3.0 billion) to P17.2 billion, primarily from collection of trade receivables (-P3.5 billion) less additional advances to suppliers and to officers and employees for business purposes.

Financial assets at fair value through profit or loss went up by 8% (+P0.05 billion) to P0.6 billion due to translation adjustment in the interim period.

Retirement benefit assets increased 34% (+P0.1 billion) to P0.6 billion due to changes in financial assumptions and foreign exchange adjustments.

Other non-current assets were slashed -35% (-P0.05 billion) to P0.1 billion due to decrease in advances to suppliers (transferred to current assets).

Current Interest-bearing loans surged 25% (+P0.2 billion) to P0.8 billion while non-current portion went down -1% (-P0.2 billion) to P32.5 billion due to net payments of loans.

Current lease liabilities expanded 11% (+P0.03 billion) to P0.3 billion and non-current lease liabilities inched 1% (+P0.01 billion) to P0.8 billion primarily due to translation adjustments and interest amortization.

Provisions declined -48% (-P0.1 billion) to P0.1 billion principally from reversal of unutilized amounts.

Equity attributable to owners fell -1% (-P0.9 billion) to P98.6 billion from dividends declared and paid during the interim period (-P3.1billion) and translation loss in translating the financial statements of foreign subsidiaries (-P0.01 billion), as reduced by net profit during the period (+P1.9 billion) and additional equity reserves (+P0.3 billion).

Non-controlling interest pertains primarily to the minority interest in DBLC and Boozylife. The decrease of -P0.4 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	**March 31, 2025**	Dec 31, 2024
Debt [Loans]	**33,352**	33,433
Equity	**99,250**	100,527
Total Capitalization	**132,602**	133,959
Total Liabilities	**59,582**	59,000
Debt-to-equity ratio	**0.34**	0.33
Liabilities-to-equity ratio	**0.60**	0.59
Current ratio	**3.83x**	4.08x
Quick ratio	**1.32x**	1.51x
Return on assets	**1.17% 3mos.**	4.21%
Solvency ratio [EBITDA/Debt]	**9% 3mos.**	34%

Other Required Disclosures

As of March 31, 2025, except for what has been noted, there were no other known items –such as trends, demands, commitments, events or uncertainties- affecting assets, liabilities, equity, sales, revenues, net profit or cash flows that were unusual because of their nature, size, or incidents, and that will result in or that are reasonably likely to result in the liquidity increasing or decreasing in any material way, or that would have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

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

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

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

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

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

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

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

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

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

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

(Below is intentionally left blank.)

EMPERADOR INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
MARCH 31, 2025

	03/31/25	12/31/24
Current ratio	3.83	4.08
Quick ratio	1.32	1.51
Liabilities-to-equity ratio	0.60	0.59
Debt-to-equity ratio	0.34	0.33
Asset -to-equity ratio	1.60	1.59
	Q1 2025	**Q1 2024**
Net profit margin	14%	13%
Return on assets	1%	1%
Return on equity/investment	2%	2%
Solvency Ratio	9%	10%
Interest rate coverage ratio	6.94	7.41

LIQUIDITY RATIOS measure the business' ability to pay short-term obligations.
Current ratio - computed as current assets divided by current liabilities
Quick ratio - computed as cash, marketable securities, accounts receivable divided by current liabilities.

SOLVENCY RATIOS measure the business' ability to meet its long-term debt obligations.
Liabilities-to-equity ratio - computed as total liabilities divided by stockholders'equity.
Debt-to-equity ratio - computed as total interest-bearing loans [debt] divided by stockholders'equity.
Solvency ratio - computed as EBITDA divided by total debt [loans]

INTEREST RATE COVERAGE RATIO measures the business' ability to meet its interest payments.
It is computed as EBITDA divided by interest.

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

PROFITABILITY RATIOS measure the business' ability to generate earnings.
Net profit margin - computed as net profit divided by revenues
Return on assets - net profit divided by average assets
Return on equity investment - net profit divided by total stockholders' equity

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025
(Amounts in Philippine Pesos)

	Notes	March 31, 2025 (UNAUDITED)	December 31, 2024 (AUDITED)
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	5	**P 9,990,385,068**	P 9,739,188,511
Trade and other receivables - net	6	**17,236,529,611**	20,199,924,248
Financial assets at fair value through profit or loss	24.2	**589,114,230**	543,477,409
Inventories - net	7	**49,384,550,303**	48,649,145,978
Prepayments and other current assets	10.1	**3,279,678,749**	3,169,170,956
Total Current Assets		**80,480,257,961**	82,300,907,102
NON-CURRENT ASSETS			
Property, plant and equipment - net	8	**41,550,388,141**	40,906,530,431
Intangible assets - net	9	**32,060,437,189**	31,692,812,706
Investment in a joint venture	11	**3,656,931,288**	3,640,406,308
Retirement benefit asset - net		**588,195,686**	440,192,427
Deferred tax assets - net	18	**393,508,829**	389,625,744
Other non-current assets - net	10.2	**102,271,077**	156,825,996
Total Non-current Assets		**78,351,732,210**	77,226,393,612
TOTAL ASSETS		**P 158,831,990,171**	P 159,527,300,714
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans	12	**P 847,896,093**	P 679,108,834
Trade and other payables	14	**17,741,052,831**	17,157,695,057
Lease liabilities	8.3	**259,256,563**	232,830,824
Income tax payable		**2,189,018,401**	2,114,512,029
Total Current Liabilities		**21,037,223,888**	20,184,146,744
NON-CURRENT LIABILITIES			
Interest-bearing loans	12	**32,503,700,125**	32,753,446,587
Lease liabilities	8.3	**850,214,866**	844,538,141
Provisions		**94,213,026**	180,866,410
Deferred tax liabilities - net	18	**5,096,305,117**	5,037,395,096
Total Non-current Liabilities		**38,544,433,134**	38,816,246,234
Total Liabilities	25	**59,581,657,022**	59,000,392,978
EQUITY	25		
Equity attributable to owners of the parent company		**98,553,301,711**	99,395,903,383
Non-controlling interest		**697,031,438**	1,131,004,353
Total Equity		**99,250,333,149**	100,526,907,736
TOTAL LIABILITIES AND EQUITY		**P 158,831,990,171**	P 159,527,300,714

See Selected Explanatory Notes to Interim Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	2025	2024
REVENUES AND OTHER INCOME	15	P 13,206,112,586	P 13,122,751,668
COSTS AND EXPENSES			
Costs of goods sold	16	8,499,399,898	8,648,145,733
Selling and distribution expenses	17	1,667,596,977	1,344,268,022
General and administrative expenses	17	512,695,630	609,301,062
Interest expense	12	413,236,415	388,171,389
Other charges - net		32,895,256	2,941,883
		11,125,824,176	10,992,828,089
PROFIT BEFORE TAX		2,080,288,410	2,129,923,579
TAX EXPENSE	18	216,697,379	372,459,030
NET PROFIT		1,863,591,031	1,757,464,549
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will be reclassified subsequently to profit or loss			
Translation gain (loss)		(458,884,401)	739,197,300
Items that will not be reclassified subsquently to profit or loss			
Net actuarial gain on retirement benefit plan		122,100,000	215,414,000
Tax expense on remeasurement of retirement benefit plan	18	(30,525,000)	(53,853,500)
		91,575,000	161,560,500
Total Other Comprehensive Income (Loss)		(367,309,401)	900,757,800
TOTAL COMPREHENSIVE INCOME		P 1,496,281,630	P 2,658,222,349
Net profit attributable to:			
Owners of the parent company		P 1,851,346,447	P 1,738,185,311
Non-controlling interest		12,244,584	19,279,238
		P 1,863,591,031	P 1,757,464,549
Total comprehensive income (loss) attributable to:			
Owners of the parent company		P 1,930,254,545	P 2,772,690,733
Non-controlling interest		(433,972,915)	(114,468,384)
		P 1,496,281,630	P 2,658,222,349
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company - Basic	21	P 0.12	P 0.11
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company - Diluted	21	P 0.11	P 0.11

See Selected Explanatory Notes to Interim Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Attributable to Owners of the Parent Company														
										Retained Earnings					
	Capital Stock	Additional Paid-in Capital	Deposit for Future Stock Subscription - ELS	Treasury Shares	Conversion Options Outstanding	Share Options Outstanding	Accumulated Translation Adjustments	Revaluation Reserves	Other Reserves	Appropriated	Unappropriated	Total	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2025	P 16,242,391,176	P 23,126,856,086	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 385,193,968	P 1,311,399,865	(P 562,869,850)	P 1,334,224,629	P 1,200,000,000	P 57,574,173,011	P 58,774,173,011	P 99,395,903,383	P 1,131,004,353	P 100,526,907,736
Movements during the year	-	-	-	-	-	-	-	-	307,323,318	-	-	-	307,323,318	-	307,323,318
Transfer to equity reserves	-	-	-	-	-	-	-	-	127,260,153	-	(127,260,153)	(127,260,153)	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	-	(12,666,902)	91,575,000	-	-	1,851,346,447	1,851,346,447	1,930,254,545	(433,972,915)	1,496,281,630
Reversal of appropriation	-	-	-	-	-	-	-	-	-	(112,000,000)	112,000,000	-	-	-	-
Cash dividends declared and paid during the year	-	-	-	-	-	-	-	-	-	-	(3,080,179,535)	(3,080,179,535)	(3,080,179,535)	-	(3,080,179,535)
Balance at March 31, 2025	**P 16,242,391,176**	**P 23,126,856,086**	**P 3,443,750,000**	**(P 4,747,713,903)**	**P 88,498,401**	**P 385,193,968**	**P 1,298,732,963**	**(P 471,294,850)**	**P 1,768,808,100**	**P 1,088,000,000**	**P 56,330,079,770**	**P 57,418,079,770**	**P 98,553,301,711**	**P 697,031,438**	**P 99,250,333,149**
Balance at January 1, 2024	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 318,710,397	(P 1,017,004,922)	(P 705,719,200)	P 828,321,157	P 1,200,000,000	P 55,167,247,701	P 56,367,247,701	P 93,924,858,639	P 1,483,033,655	P 95,407,892,294
Movements during the year	-	-	-	-	-	-	-	-	234,669,634	-	-	-	234,669,634	-	234,669,634
Issuances during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to equity reserves	-	-	-	-	-	-	-	-	235,341,571	-	(235,341,571)	(235,341,571)	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	872,944,922	161,560,500	-	-	1,738,185,311	1,738,185,311	2,772,690,733	(114,468,384)	2,658,222,349
Balance at March 31, 2024	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 318,710,397	(P 144,060,000)	(P 544,158,700)	P 1,298,332,362	P 1,200,000,000	P 56,670,091,441	P 57,870,091,441	P 96,932,219,006	P 1,368,565,271	P 98,300,784,277

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 THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**P 2,080,288,410**	P 2,129,923,579
Adjustments for:			
Interest expense	12	**413,236,415**	388,171,389
Depreciation and amortization	8	**373,838,403**	357,704,528
Interest income	5	**(124,780,989)**	(111,512,996)
Impairment losses on trade and other receivables	6	**102,737**	557,491
Share in net profit of a joint venture	11	**(16,523,028)**	(35,163,352)
Provisions	17	**(37,000,000)**	(35,500,000)
Operating profit before working capital changes		**2,689,161,948**	2,694,180,639
Decrease in trade and other receivables		**2,882,740,223**	593,390,485
Decrease (increase) in financial instruments at fair value through profit or loss		**(52,002,621)**	1,080,695
Increase in inventories		**(921,499,657)**	(2,006,453,072)
Decrease in prepayments and other current assets		**96,064,828**	564,396,012
Increase in retirement benefit asset		**(25,903,259)**	(16,959,771)
Decrease in other non-current assets		**54,464,325**	11,865,704
Increase in trade and other payables		**464,469,061**	2,107,612,464
Cash generated from operations		**5,187,494,848**	3,949,113,156
Cash paid for income taxes		**(406,016,850)**	(780,355,710)
Net Cash From Operating Activities		**4,781,477,998**	3,168,757,446
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	8	**(897,824,462)**	(1,521,496,779)
Interest received	5	**134,174,531**	117,881,256
Proceeds from sale of property, plant and equipment	8.1	**38,525**	208,948
Net Cash Used in Investing Activities		**(763,611,406)**	(1,403,406,575)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing loans	12	**244,623,028**	2,761,302,680
Dividends paid	13, 20.2	**(3,080,179,535)**	-
Repayments of interest-bearing loans	12	**(510,609,725)**	(654,548,160)
Interest paid		**(420,503,803)**	(129,359,341)
Net Cash From (Used in) Financing Activities		**(3,766,670,035)**	1,977,395,179
NET INCREASE IN CASH AND CASH EQUIVALENTS		**251,196,557**	3,742,746,050
CASH AND CASH EQUIVALENTS AT JANUARY 1		**9,739,188,511**	10,513,125,613
CASH AND CASH EQUIVALENTS AT MARCH 31		**P 9,990,385,068**	P 14,255,871,663

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 THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(With Comparative Audited Figures for December 31, 2024)
(Amounts in Philippine Pesos)
(UNAUDITED)

1. CORPORATE INFORMATION

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

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

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

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

1.1 Subsidiaries

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

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

Names of Subsidiaries and Joint Venture	Percentage of Effective Ownership **March 31, 2025**	 December 31, 2024
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, 2024 for information on these entities.

1.2 Approval of the Interim Consolidated Financial Statements

The interim consolidated financial statements (unaudited) of the Group as of and for the three months ended March 31, 2025 (including the comparative financial information as of December 31, 2024 and for the three months ended March 31, 2024) were authorized for issue by the Parent Company's Board of Directors ("BOD") through the Audit Committee on May 14, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Interim Consolidated Financial Statements

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

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

2.2 Adoption of Amended PFRS Accounting Standards

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

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

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

(b) *Effective Subsequent to 2025 but not Adopted Early*

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

(i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures- Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(ii) PFSR 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027)

(iii) PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027)

(iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associate and Joint Ventures- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

4. SEGMENT INFORMATION

4.1 Business Segments

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

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

4.2 Segment Assets and Liabilities

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

4.3 Intersegment Transactions

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

4.4 Analysis of Segment Information

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

	BRANDY March 31		**SCOTCH WHISKY March 31**		**SEGMENT TOTALS March 31**	
	2025	2024	**2025**	2024	**2025**	2024
REVENUES AND OTHER INCOME						
External Customers	**P 8,657**	P 7,878	**P 4,549**	P 5,245	**P 13,206**	P 13,123
Intersegment sales*	**148**	111	**70**	70	**218**	181
	8,805	7,989	**4,619**	5,315	**13,424**	13,304
COSTS AND EXPENSES						
Cost of goods sold	**5,764**	5,782	**2,735**	2,866	**8,499**	8,648
Intersegment cost of goods sold*	**70**	70	**148**	111	**218**	181
Selling and distribution expenses	**773**	465	**895**	879	**1,668**	1,344
General and administrative expenses	**337**	353	**175**	256	**512**	609
Interest expense and other charges	**256**	293	**190**	99	**446**	392
	7,200	6,963	**4,143**	4,211	**11,343**	11,174
SEGMENT PROFIT BEFORE TAX	**1,605**	1,026	**476**	1,104	**2,081**	2,130
TAX EXPENSE	**145**	184	**72**	189	**217**	373
SEGMENT NET PROFIT	**P 1,460**	P 842	**P 404**	P 915	**P 1,864**	P 1,757
Depreciation and Amortization	**279**	270	**95**	88	**374**	358
Interest expense	**223**	284	**190**	104	**413**	388
Share in net profit of JV	**17**	35	**-**	-	**17**	35
	March31, 2025	Dec31, 2024	**March 31, 2025**	Dec31, 2024	**March 31, 2025**	Dec31, 2024
TOTAL ASSETS	**P 126,180**	P 138,186	**P 90,263**	P 80,811	**P 216,443**	P 218,997
TOTAL LIABILITIES	**43,941**	43,450	**23,769**	25,201	**67,710**	68,651

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

The Group's revenues and other income in the periods presented range from 60% to 66% from the Asia Pacific, 25% to 27% 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 Totals	Intercompany Accounts	Consolidated Balances
March 2025			
Revenues and other income	**P 13,424**	**P (218)**	**P 13,206**
Cost and expenses	**11,343**	**(218)**	**11,125**
Total assets	**216,443**	**(57,611)**	**158,832**
Total liabilities	**67,710**	**(8,128)**	**59,582**
Other segment information:			
Depreciation and amortization	**374**	**-**	**374**
Interest expense	**413**	**-**	**413**
Share in net profit of JV	**17**	**-**	**17**
March 2024			
Revenues and other income	13,304	(181)	13,123
Cost and expenses	11,174	(181)	10,993
Other segment information:			
Depreciation and amortization	358	-	358
Interest expense	388	-	388
Share in net profit of joint venture	35	-	35
December 2024			
Total assets	218,997	(59,469)	159,527
Total liabilities	68,651	(9,650)	59,000

5. CASH AND CASH EQUIVALENTS

This account includes the following components:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand and in banks	**P 3,967,280,482**	P 3,814,838,178
Short-term placements	**6,023,104,586**	5,924,350,333
	P 9,990,385,068	P 9,739,188,511

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements have an average maturity of 21 to 35 days and earn effective annual interest rates of 5.6% to 5.9% in the first three months of 2025 and from 5.8% to 6.0% in the first three months of 2024. Interest earned amounted to P124.8 million and P111.5 million in the first three months of 2025 and 2024, respectively, and is presented as part of Other income under the Revenues and Other Income account in the interim consolidated statements of comprehensive income (see Note 15).

6. TRADE AND OTHER RECEIVABLES

Details of this account are as follows:

	Notes	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables	19.3	**P 14,794,021,510**	P 18,271,014,806
Advances to suppliers		**2,362,531,803**	2,106,799,926
Advances to officers and employees	19.4	**389,206,448**	32,923,698
Accrued interest receivable		**2,574,051**	11,967,593
Other receivables		**69,166,517**	157,019,270
		17,617,500,329	20,579,725,293
Allowance for impairment		**(380,970,718)**	(379,801,045)
		P 17,236,529,611	P 20,199,924,248

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

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	**P 379,801,045**	P 297,589,023
Recoveries	-	(2,669,318)
Impairment losses	**102,737**	90,953,844
Write-offs	-	(9,785,139)
Translation adjustment	**1,066,936**	3,712,635
Balance at end of period	**P 380,970,718**	P 379,801,045

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

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

7. INVENTORIES

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

	Notes	**March 31, 2025 (Unaudited)**	December 31, 2024 (Audited)
At cost:			
Finished goods	16, 19	**P 6,213,247,350**	P 5,252,984,685
Work-in-process	16, 19	**36,041,898,037**	35,158,144,734
Raw materials	16, 19	**4,845,107,469**	4,515,584,449
Packaging materials	16, 19	**482,953,558**	511,058,362
Machinery spare parts, consumables and factory supplies		**457,105,609**	449,377,487
		48,040,312,023	45,887,149,717
At net realizable value:			
Finished goods			
Cost	16, 19	**1,185,713,645**	2,615,901,913
Allowance for impairment		**(512,353,741)**	(511,535,642)
Packaging materials			
Cost	16, 19	**762,320,842**	768,918,490
Allowance for impairment		**(91,442,466)**	(111,288,500)
		1,344,238,280	2,761,996,261
		P 49,384,550,303	P 48,649,145,978

WML has a substantial inventory of aged stocks which mature over periods of up to 60 years. The maturing whisky stock inventory amounting to P30.5 billion and P29.6 billion as of March 31, 2025 and December 31, 2024, respectively, is presented as part of work-in-process inventories, and is stored in various locations across Scotland.

An analysis of the cost of inventories included in costs of goods sold for the three months ended March 31, 2025 and 2024 is presented in Note 16.

8. PROPERTY, PLANT AND EQUIPMENT

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

	Notes	**March 31, 2025 (Unaudited)**	December 31, 2024 (Audited)
Property, plant and equipment	8.1	**P 40,576,486,538**	P 39,909,765,923
Right-of-use assets	8.2	**973,901,603**	996,764,508
		P 41,550,388,141	P 40,906,530,431

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.

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost	P 62,149,516,713	P 60,856,080,332
Accumulated depreciation and amortization	(21,573,030,175)	(20,946,314,409)
Net carrying amount	P 40,576,486,538	P 39,909,765,923

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period, net of accumulated depreciation and and amortization	P 39,909,765,923	P 33,651,737,301
Additions during the period	271,878,234	7,510,353,613
Translation adjustment	897,824,462	672,150,871
Disposal during the period	(38,525)	(5,375,245)
Depreciation and amortization charges for the period	(502,943,556)	(1,919,100,617)
Balance at the end of the period, net of accumulated depreciation and and amortization	P 40,576,486,538	P 39,909,765,923

The amount of depreciation and amortization is allocated as follows:

	Notes	For the Three Months Ended March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Costs of goods sold	16	P 275,876,861	P 264,400,025
Selling and distribution expenses	17	22,485,479	24,795,171
General and administrative expenses	17	49,900,200	42,163,250
		348,262,540	331,358,446
Capitalized to inventories		154,681,016	121,526,298
		P 502,943,556	P 452,884,744

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.

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost	**P 1,720,230,603**	P 1,585,593,821
Accumulated amortization	**(746,329,000)**	(588,829,313)
Net carrying amount	**P 973,901,603**	P 996,764,508

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period, net of accumulated amortization	**P 996,764,508**	P 560,030,672
Amortization charges for the period	**(25,575,863)**	(200,228,377)
Translation adjustment	**2,712,958**	10,145,688
Termination	-	(9,661,328)
Disposal	-	(4,848,879)
Lease modification	-	(975,330)
Additions during the period	**-**	642,302,062
Balance at the end of the period, net of accumulated amortization	**P 973,901,603**	P 996,764,508

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

		For the Three Months Ended	
	Notes	**March 31, 2025 (Unaudited)**	March 31, 2024 (Unaudited)
Costs of goods sold	16	**P 12,996,901**	P 5,857,182
General and administrative expenses	17	**12,578,962**	20,488,900
		P 25,575,863	P 26,346,082

8.3 Lease Liabilities

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Current	**P 259,256,563**	P 232,830,824
Non-current	**850,214,866**	844,538,141
	P 1,109,471,429	P 1,077,368,965

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning lease liabilities	**P 1,077,368,965**	P 611,202,053
Translation adjustment	**21,123,773**	58,285,759
Additions- net	-	426,881,499
Reclassification of onerous lease	-	(57,033,148)
Interest amortization	**10,978,691**	38,032,802
Ending lease liabilities	**P 1,109,471,429**	P 1,077,368,965

9. INTANGIBLE ASSETS

This account is composed of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Indefinite useful lives		
Trademarks – net	**P 21,757,606,511**	P 21,453,858,552
Goodwill	**10,302,830,678**	10,238,954,154
	P 32,060,437,189	P 31,692,812,706

Goodwill represents the esxcess 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 March 31, 2025 and December 31, 2024 as the Group's products that carry such brands and trademarks are performing very well in the market; hence, no impairment is necessary to be recognized in the periods presented.

10. OTHER ASSETS

10.1 Prepayments and Other Current Assets

This account is composed of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Prepaid taxes	**P 2,158,141,995**	P 2,079,544,002
Prepaid expenses	**925,182,277**	853,342,059
Deferred input value-added tax ("VAT")	**11,286,170**	76,935,282
Refundable security deposits	**5,224,199**	6,767,203
Others	**179,844,108**	152,582,410
	P 3,279,678,749	P 3,169,170,956

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

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

10.2 Other Non-current Assets

This account is composed of the following:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Advances to suppliers		P 24,222,953	P 76,327,239
Deferred input VAT		9,147,654	17,030,424
Refundable security deposits	19.2	58,040,357	45,885,833
Others		10,860,113	17,582,500
		P 102,271,077	P 156,825,996

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:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition costs	P 2,845,367,065	P 2,845,367,065
Accumulated share in net profit:		
Balance at beginning of the period	795,039,243	659,025,708
Share in net profit for the period	16,523,028	77,607,480
Translation adjustment	1,952	58,406,055
Balance at end of the period	811,564,223	759,039,243
	P 3,656,931,288	P 3,640,406,308

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:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Current	P 847,896,093	P 679,108,834
Non-current	32,503,700,125	32,753,446,587
	P 33,351,596,218	P 33,432,555,421

Interest expense on the above loans for the periods ended March 31, 2025 and 2024 amounted to P0.4 billion and is presented as part of Interest Expense account under the Costs and Expenses section of the interim consolidated statements of comprehensive income.

13. EQUITY-LINKED SECURITIES

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

The ELS also bears variable interest in an amount equal to the dividend rate applied to the number of Conversion Shares and at the same time as when dividends were paid to stockholders. Variable interest during the three months ended March 31, 2025 (nil in March 31, 2024) amounted to P90.2 million, and is presented as part of Cash Dividends Declared during the year in the 2025 interim consolidated statements of changes in equity.

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:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade payables	19.1	**P 11,036,500,539**	P 9,702,013,952
Accrued expenses		**6,090,027,174**	6,541,933,839
Output VAT payable		**510,861,872**	822,803,768
Others		**103,663,246**	90,943,498
		P 17,741,052,831	P 17,157,695,057

15. REVENUES AND OTHER INCOME

The details of revenues and other income are shown below.

	Notes	For the Three Months Ended March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Sales	19.3	**P 12,134,632,596**	P 12,862,784,681
Others:			
Interest income		**124,780,989**	111,512,996
Share in net profit of joint venture	11	**16,523,028**	35,163,352
Others		**930,175,973**	113,290,639
		1,071,479,990	259,966,987
		P 13,206,112,586	P 13,122,751,668

16. COSTS OF GOODS SOLD

The details of costs of goods sold are shown below.

	Notes	For the Three Months Ended March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Finished goods, beginning	7	**P 7,868,886,598**	P 9,081,462,012
Finished goods purchased	19.1	**6,030,980,218**	487,629,474
Cost of goods manufactured			
Raw and packaging materials, beginning	7	**5,795,561,301**	6,756,141,512
Net purchases	19.1	**1,528,217,990**	8,836,388,683
Raw and packaging materials, end	7	**(6,090,381,869)**	(7,695,226,468)
Raw materials used		**P 1,233,397,422**	P 7,897,303,727
Work-in-process, beginning	7	**35,158,144,734**	30,562,603,015
Direct labor		**503,583,663**	471,668,330
Manufacturing overhead:			
Depreciation and amortization	8	**288,873,762**	270,257,207
Repairs and maintenance		**106,272,854**	102,619,906
Taxes and licenses		**100,891,359**	172,520,105
Communication, light, and water		**93,764,247**	86,357,467
Outside services		**76,673,487**	80,731,180
Rentals		**72,449,387**	72,401,440
Fuel and lubricants		**62,725,736**	57,080,774
Labor		**47,312,207**	40,242,559
Insurance		**20,297,989**	15,579,405
Commission		**13,784,202**	88,242,208
Waste disposal		**9,800,012**	8,976,862
Transportation		**6,153,643**	8,844,415
Gasoline and oil		**5,194,728**	5,383,874
Meals		**1,642,050**	2,591,029
Miscellaneous		**239,430,632**	310,417,072
Work-in-process, end	7	**(36,041,898,037)**	(31,737,097,814)
		1,998,494,077	8,516,722,761
Finished goods, end	7	**(7,398,960,995)**	(9,437,668,514)
		P 8,499,399,898	P 8,648,145,733

17. OTHER OPERATING EXPENSES

The details of operating expenses are shown below.

	Notes	For the Three Months Ended March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Advertising and promotions		P 835,129,850	P 756,376,156
Salaries and employee benefits		626,009,820	600,563,810
Travel and transportation		148,480,233	121,523,807
Professional fees and outside services		124,882,193	141,937,800
Other services		536,268	532,963
Freight and handling		107,485,861	64,324,125
Depreciation and amortization	8	84,964,641	87,447,321
Taxes and licenses		71,446,349	41,822,363
Representation		45,712,966	29,680,790
Repairs and maintenance		42,641,688	25,842,855
Rentals		36,643,579	19,425,401
Fuel and oil		24,396,999	3,476,435
Supplies		14,759,941	14,242,379
Communication, light, and water		13,699,081	9,998,731
Meals		10,077,539	620,252
Insurance		7,747,085	3,728,033
Provisions*		(37,000,000)	(35,500,000)
Others		22,678,514	67,525,863
		P 2,180,292,607	P 1,953,569,084

**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 Three Months Ended March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Selling and distribution expenses	P 1,667,596,977	P 1,344,268,022
General and administrative expenses	512,695,630	609,301,062
	P 2,180,292,607	P 1,953,569,084

18. TAXES

EMI and its Philippine subsidiaries ("Philippine Group") are subject to the higher of regular corporate income tax ("RCIT") at 25% of net taxable income, or minimum corporate income tax ("MCIT") at 2% in 2025 and 2024 of gross income for, as defined under the Philippine tax regulations. The Philippine Group declared RCIT for the three months ended March 31, 2025 and 2024 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 Three Months Ended	
	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Reported in profit or loss:		
Current tax expense		
RCIT at 30%, 25% and 17%	**P 260,078,581**	P 330,127,510
Final tax on interest	**1,772,402**	10,226,115
MCIT	**-**	326,347
	261,850,983	340,679,972
Deferred tax expense relating to origination and reversal of other temporary differences	**(45,153,604)**	31,779,058
	P 216,697,379	P 372,459,030
Reported in other comprehensive income or loss –		
Deferred tax expense relating to retirement benefit obligation re-measurement	**P 30,525,000**	P 53,853,500

The deferred tax assets and liabilities relate to the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Brand valuation	**(P 3,748,104,277)**	(P 3,703,730,348)
Fair value adjustment	**(581,329,440)**	(574,447,058)
Short-term temporary differences	**(420,490,263)**	(449,843,404)
Retirement benefit asset	**(147,104,608)**	(110,084,608)
PFRS 16 impact	**25,325,384**	25,325,384
Capitalized borrowing costs	**(35,511,708)**	(35,511,708)
NOLCO	**92,123,301**	88,227,067
Allowance for impairment	**112,295,323**	112,295,323
Net deferred tax liabilities	**(P 4,702,796,288)**	(P 4,647,769,352)

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred tax liabilities - net	**(P 5,096,305,117)**	(P 5,037,395,096)
Deferred tax assets - net	**393,508,829**	389,625,744
	(P 4,702,796,288)	(P 4,647,769,352)

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 three months ended March 31, 2025 and 2024 and the related outstanding balances as of March 31, 2025 and December 31, 2024 are shown below.

Related Party Category	Notes	Amount of Transaction For the Three Months Ende March 31, 2025	March 31, 2024	Outstanding Receivable (Payable) March 31, 2025	December 31, 2024
Ultimate Parent Company:					
Dividends	20.2	**2,376,512,514**	-	**-**	-
Lease of properties	19.2(a)	**6,956,250**	6,956,250	**-**	(14,886,375)
Related Parties Under Common Ownership:					
Purchase of raw materials and services	19.1	**131,937,950**	314,055,420	**(4,020,758)**	(61,615,067)
Purchase of finished goods	19.1	**114,107,122**	114,901,126	**(143,047,807)**	(119,602,369)
Lease of properties	19.2(b),(c), (d)	**28,762,723**	28,306,143	**-**	(7,454,269)
Sale of goods	19.3	**45,884,985**	10,851,538	**162,971,931**	157,017,552
Management services earned	19.5	**-**	9,041,681	**-**	-
Refundable deposits	19.2(b),(c), (d)	**-**		**8,191,545**	9,852,753
Officers and Employees -					
Advances granted (collected)	19.4	**356,282,750**	328,027,205	**389,206,448**	32,923,698

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

19.1 Purchase of Goods and Services

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

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

19.2 Lease Agreements

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

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

(a) AGI

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

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

(b) Megaworld Corporation

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

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

AWGI and EDI also lease the parking spaces while World's Finest leases the building space of Megaworld which are considered as low value assets based on the provision of PFRS16. The related rent expense amounting to P7.8 million and P8.3 in 2025 and 2024, respectively, are presented as part of Rentals under the General and Administrative Expenses account in the interim consolidated statements of comprehensive income. The outstanding liability arising from this as of March 31, 2025 and December 31, 2024 is presented as part of Accrued expenses under the Trade and Other Payables account in the interim consolidated statement of financial position.

(c) MREIT, Inc.

In relation to the lease contracts entered into by EDI and AWGI with Megaworld in Note 19.2 (b), Megaworld transferred, assigned and conveyed the leased properties to MREIT, Inc., including all the former's rights, interest and obligations under the lease contracts, and extending the lease term to 10 years ending in 2034. The Group paid rentals of P11.7 million and P11.1 million in 2025 and 2024.

(d) Empire East Land Holdings, Inc.

EDI has a lease contract with Empire East Land Holdings, Inc., a related party under common ownership, for its office and warehouse. The Group paid P9.3 million and P8.9 million in rentals for the first three months of 2025 and 2024, respectively.

19.3 Sale of Goods

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

19.4 Advances to Officers and Employees

In the normal course of business, the Group grants noninterest-bearing, unsecured, and payable on demand or subject to liquidation cash advances to certain officers and employees. The outstanding balance arising from these transactions is presented as Advances to officers and employees under the

Trade and Other Receivables account in the interim consolidated statements of financial position (see Note 6).

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	P 32,923,698	P 359,591,136
Additions	382,447,102	579,519,363
Collections	(26,164,352)	(906,186,801)
Balance at end of period	P 389,206,448	P 32,923,698

19.5 Management Services

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

20. EQUITY

20.1 Treasury Shares

A series of buy-back programs were authorized by the Parent Company's BOD that lasted from May 16, 2017 up to December 31, 2021. The allotment was fully used up by the end of June 30, 2021. As of March 31, 2025 and December 31, 2024, the Parent Company has 505.92 million shares amounting to P4.28 billion in treasury and presented under Treasury Shares account in the interim consolidated statement of changes in equity.

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

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

20.2 Declaration of Dividends

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

Date of Declaration	Date of Stockholders' Record	Payable Date	Dividend per Share	Total
January 15, 2025	January 31, 2025	February 18, 2025	P0.1900	P2,989,929,535

There was no dividend declaration in the first quarter of 2024. Declaration was made subsequently on April 1, 2024.

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:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
DBLC	**P 721,688,250**	P 1,154,872,626
Boozylife	**(24,656,812)**	(23,868,273)
	P 697,031,438	P 1,131,004,353

21. EARNINGS PER SHARE

Earnings per share were computed as follows:

	For the Three Months Ended	
	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Consolidated net profit attributable to owners of parent company	**P 1,851,346,447**	P 1,738,185,311
Divided by weighted average number of: outstanding common shares	**15,670,991,338**	15,670,991,338
Basic earnings per share	**P 0.12**	P 0.11
Consolidated net profit attributable to owners of parent company	**P 1,851,346,447**	P 1,738,185,311
Divided by weighted average number of: potential dilutive shares	**16,327,991,338**	16,327,991,338
Diluted earnings per share	**P 0.11**	P 0.11

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 March 31, 2025 and December 31, 2024 while the foreign subsidiaries have cash and cash equivalents, receivables and payables in US dollars. To mitigate the Group's exposure to foreign currency risk, non-functional currency cash flows are being monitored.

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets	**P 373,990,855**	P 900,610,804
Financial liabilities	**(1,364,280,631)**	(1,385,556,823)
	(P 990,289,776)	(P 484,946,019)

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 equity
March 31, 2025	**4.67%**	**(P 46,246,533)**	**(P 34,684,899)**
December 31, 2024	4.70%	(P 22,792,463)	(P 17,094,347)

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets	**P 220,236,283**	P 249,644,950
Financial liabilities	**(20,040,297,043)**	(19,972,574,551)
	(P 19,820,060,760)	(P 19,722,929,601)

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

	Reasonably possible change in rate	Effect in consolidated profit before tax	Effect in consolidated equity
March 31, 2025	**7.73%**	**(P 1,532,090,697)**	**(P 1,149,068,023)**
December 31, 2024	22.57%	(P 4,451,465,211)	(P 3,338,598,908)

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

(b) Interest Rate Risk

As at March 31, 2025 and December 31, 2024, the Group is exposed to changes in market rates through its cash in banks and short-term placements which are generally subject to 30-day re-pricing intervals (see Note 5). Due to the short duration of short-term placements, management believes that interest rate sensitivity and its effect on the net results and equity are not significant. The Group's interest-bearing loans and borrowings are subject to fixed interest rates and are therefore not subject to interest rate risk, except for certain loans that are based on Euro Interbank Offered Rate ("EURIBOR") and Sterling Overnight Index Average ("SONIA"). The Group does not see a material interest rate risk here in the short-term. The sensitivity of the Group's profit before tax on its loans arising from EURIBOR is analyzed based on a reasonably possible change in interest rates of +/-1.90% in 2025 and +/-1.81 in 2024. These changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months, estimated at 68% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at each reporting date, with effect estimated from the beginning of the year. All other variables held constant, if EURIBOR increased by 1.90% and 1.81% in March 31, 2025 and December 31, 2024, profit before tax would have decreased by P381.0 million and P342.3 million, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax in March 31, 2025 and December 31, 2024 would have been higher by the same amounts.

The sensitivity of the Group's profit before tax on its loans arising from SONIA is analyzed based on a reasonably possible change in interest rates of +/-0.95% in 2025 and +/-0.65% in 2024. These changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months, estimated at 68% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at each reporting date, with effect estimated from the beginning of the year. All other variables held constant, if SONIA increased by 0.95% and 0.65% in March 31, 2025 and December 31, 2024, profit before tax would have decreased by P126.3 million and P87.8 million, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax in March 31, 2025 and December 31, 2024 would have been higher by the same amounts.

(c) Other Price Risk

The Group was exposed to other price risk in respect of its financial instruments at fair value through profit or loss ("FVTPL"), which pertain to marketable equity securities and derivative instruments arising from foreign exchange margins trading spot and forward contracts. These financial instruments will continue to be measured at fair value based on quoted market prices and the index reference provided by certain foreign financial institution and through reference to quoted bid prices, respectively. The Group believes that the change in foreign exchange rate related to foreign exchange margins trading spot 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	**March 31, 2025 (Unaudited)**	December 31, 2024 (Audited)
Cash and cash equivalents	5	**P 9,990,385,068**	P 9,739,188,511
Trade and other receivables – net	6	**14,484,791,360**	18,060,200,624
Refundable security deposits	10	**63,264,556**	52,653,036
		P 24,538,440,984	P 27,852,042,171

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

(a) Cash and Cash Equivalents

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

(b) Trade and Other Receivables and Refundable Security Deposits

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

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

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

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

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

22.3 Liquidity Risk

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

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

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

	March 31, 2025 (Unaudited)			
	CURRENT		**NON-CURRENT**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Interest-bearing loans	**P 1,188,013,885**	**P 1,184,622,301**	**P 36,209,924,142**	**P -**
Trade and other payables	**17,189,069,155**	**-**	**-**	**-**
Lease liabilities	**129,628,282**	**129,628,282**	**606,443,391**	**243,771,475**
	P 18,506,711,322	**P 1,314,250,583**	**P 36,816,367,533**	**P 243,771,475**

	December 31, 2024 (Audited)			
	CURRENT		NON-CURRENT	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Interest-bearing loans	P 1,108,244,958	P 1,105,528,522	P 36,667,959,803	P -
Trade and other payables	16,289,528,800	-	-	-
Lease liabilities	138,266,183	138,266,183	640,409,187	349,627,196
	P 17,536,039,941	P 1,243,794,705	P 37,308,368,990	P 349,627,196

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.

		March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	5	**P 9,990,385,068**	**P 9,990,385,068**	P 9,739,188,511	P 9,739,188,511
Trade and other receivables	6	**14,484,791,360**	**14,484,791,360**	18,060,200,624	18,060,200,624
Refundable security deposits	10	**63,264,556**	**63,264,556**	52,653,036	52,653,036
		P 24,538,440,984	**P 24,538,440,984**	P 27,852,042,171	P 27,852,042,171
Financial assets at FVTPL		**P 589,114,230**	**P 589,114,230**	P 543,477,409	P 543,477,409
Financial Liabilities					
Financial liabilities at amortized cost:					
Interest -bearing loans	12	**P 33,351,596,218**	**P 33,351,596,218**	P 33,432,555,421	P32,350,231,479
Trade and other payables	14	**17,189,069,155**	**17,189,069,155**	16,289,528,800	16,289,528,800
Lease liabilities	8.3	**1,109,471,429**	**1,109,471,429**	1,077,368,965	1,077,368,965
		P 51,650,136,802	**P 51,650,136,802**	P 50,799,453,186	P 49,717,129,244

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

23.2 Offsetting of Financial Assets and Financial Liabilities

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

24. FAIR VALUE MEASUREMENT AND DISCLOSURES

24.1 Fair Value Hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

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

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

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

24.2 Financial Instruments Measured at Fair Value

The Group's financial instruments measured at fair value pertain to the Group's marketable equity securities and derivative instruments. These were presented as financial assets at FVTPL amounting to P589.1 million and P543.5 million as of March 31, 2025 and December 31, 2024, respectively.

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

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

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

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

	March 31, 2025 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 9,990,385,068	P -	P -	P 9,990,385,068
Trade and other receivables	-	-	14,484,791,360	14,484,791,360
Refundable security deposits	-	-	63,264,556	63,264,556
	P 9,990,385,068	**P -**	**P 14,548,055,916**	**P 24,538,440,984**
Financial liabilities:				
Interest-bearing loans	P -	P -	P 33,351,596,218	P 33,351,596,218
Trade and other payables	-	-	17,189,069,155	17,189,069,155
Lease liabilities	-	-	1,109,471,429	1,109,471,429
	P -	**P -**	**P 51,650,136,802**	**P 51,650,136,802**

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

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

25. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Total liabilities	**P 59,581,657,022**	P 59,000,392,978
Total equity	**99,250,333,149**	100,526,907,736
Liabilities-to-equity ratio	**P 0.60 : 1.00**	P 0.59 : 1.00

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

EMPERADOR INC. AND SUBSIDIARIES
AGING SCHEDULE OF TRADE AND OTHER RECEIVABLES
March 31, 2025
(Amounts in Thousand Philippine Pesos)

Trade Receivables	
Current	10,525,876
1 to 30 days	1,670,529
31 to 60 days	984,087
Over 60 days	1,232,558
Total	14,413,050
Other receivables	2,823,479
Balance	**17,236,529**

SIGNATURES

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

Issuer: **EMPERADOR INC.**

By:

DINA D.R. INTING
Chief Financial Officer,
Corporate Information Officer,
Compliance Officer
& Duly Authorized Officer
(Principal Financial/Accounting Officer)
May 14, 2025