SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended

   Dec 31, 2024

2. SEC Identification Number

   0000086335

3. BIR Tax Identification No.

   000-417-352-000

4. Exact name of issuer as specified in its charter

   Monde Nissin Corporation

5. Province, country or other jurisdiction of incorporation or organization

   Republic of the Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   Felix Reyes St., Brgy. Balibago, Santa Rosa City, Laguna
   Postal Code
   4026

8. Issuer's telephone number, including area code

   +632 7759 7519

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

   Not applicable

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	17,968,611,496

11. Are any or all of registrant's securities listed on a Stock Exchange?

   ☑ Yes ☐ No

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

   The Philippine Stock Exchange

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that 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

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form

62,015,254,425.60 as of market close on 31 Dec 2024 (based on closing market price on 31 Dec 2024)

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

☐ Yes ☑ No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

2024 SEC Form 17-A; 2024 Parent Company Audited Financial Statements (“AFS”); 2024 Consolidated AFS

(b) Any information statement filed pursuant to SRC Rule 20

Not applicable

(c) Any prospectus filed pursuant to SRC Rule 8.1

Not applicable

Monde Nissin

Monde Nissin Corporation
MONDE

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	Dec 31, 2024
Currency	PHP'000

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2024	Dec 31, 2023
Current Assets	33,927,344	36,089,590
Total Assets	78,086,748	84,094,659
Current Liabilities	15,537,271	17,734,802
Total Liabilities	22,547,846	25,596,271
Retained Earnings/(Deficit)	1,307,051	5,533,042
Stockholders' Equity	55,538,902	58,498,388
Stockholders' Equity - Parent	55,366,514	58,388,484
Book Value Per Share	3.08	3.25

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2024	Dec 31, 2023
Gross Revenue	83,120,056	80,169,467
Gross Expense	77,236,550	83,526,158
Non-Operating Income	1,015,375	2,190,920
Non-Operating Expense	3,387,428	681,359

Income/(Loss) Before Tax	3,511,453	-1,847,130
Income Tax Expense	3,061,935	-1,220,552
Net Income/(Loss) After Tax	449,518	-626,578
Net Income/(Loss) Attributable to Parent Equity Holder	445,848	-636,408
Earnings/(Loss) Per Share (Basic)	0.02	-0.04
Earnings/(Loss) Per Share (Diluted)	0.02	-0.04

Financial Ratios

	Formula	**Fiscal Year Ended**	**Previous Fiscal Year**
		Dec 31, 2024	Dec 31, 2023
Liquidity Analysis Ratios:			
; ; Current Ratio or Working Capital Ratio	**Current Assets / Current Liabilities**	2.18	2.03
; ; Quick Ratio	**(Current Assets - Inventory - Prepayments) / Current Liabilities**	1.52	1.42
; ; Solvency Ratio	**Total Assets / Total Liabilities**	0.56	0.55
Financial Leverage Ratios			
; ; Debt Ratio	**Total Debt/Total Assets**	0.29	0.3
; ; Debt-to-Equity Ratio	**Total Debt/Total Stockholders' Equity**	0.41	0.44
; ; Interest Coverage	**Earnings Before Interest and Taxes (EBIT) / Interest Charges**	20.93	17.84
; ; Asset to Equity Ratio	**Total Assets / Total Stockholders' Equity**	1.41	1.44
Profitability Ratios			
; ; Gross Profit Margin	**Sales - Cost of Goods Sold or Cost of Service / Sales**	0.35	0.31
; ; Net Profit Margin	**Net Profit / Sales**	0.01	-0.01
; ; Return on Assets	**Net Income / Total Assets**	0.01	-0.01
; ; Return on Equity	**Net Income / Total Stockholders' Equity**	0.01	-0.01
Price/Earnings Ratio	**Price Per Share / Earnings Per Common Share**	430	-209.5

Other Relevant Information
Please see attached SEC Form 17A with annexes (with 2024 Sustainability Report) as of December 31, 2024.

Filed on behalf by:

Name	Katherine Lee-Bacus
Designation	Assistant Corporate Secretary

COVER SHEET

00000086335
S.E.C. Registration Number

M	O	N	D	E		N	I	S	S	I	N		C	O	R	P	O	R	A	T	I	O	N				

(Company's Full Name)

F	E	L	I	X		R	E	Y	E	S		S	T	.	,															
B	A	R	A	N	G	A	Y		B	A	L	I	B	A	G	O	,		C	I	T	Y		O	F					
S	A	N	T	A		R	O	S	A	,		L	A	G	U	N	A						4	0	2	6				

(Business Address: No. Street City / Town / Province)

g Atty. Helen G. Tiu
Corporate Secretary

Contact Person

7759 7595

Company Telephone Number

1	2		3	1

Month *Day*
Fiscal Year

SEC Form 17-A

Form Type

Month *Day*
Annual Meeting

Issuer of Securities under SEC-MSRD No. 27, Series of 2021

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

24

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SEC No. 0000086335
File No. ______

MONDE NISSIN CORPORATION
(Company's Full Name)

Felix Reyes St., Brgy. Balibago
Santa Rosa City, Laguna
(Company's Address)

(632) 7759 7595
(Telephone Number)

December 31, 2024
(Fiscal Year Ending)
(Month & Day)

SEC Form 17- A
(Form Type)

SECURITIES AND EXCHANGE COMMISSION (SEC)
SEC FORM 17-A, *AS AMENDED*

ANNUAL REPORT OF
MONDE NISSIN CORPORATION
PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE

1. For the fiscal year ended: December 31, 2024

2. SEC Identification Number: 0000086335

3. BIR Tax Identification Number: 000-417-352-000

4. Exact name of issuer as specified in its charter: MONDE NISSIN CORPORATION

5. Province, Country or other jurisdiction of incorporation or organization: Laguna, Philippines

6. Industry Classification Code: _______ (SEC Use Only)

7. Address of principal office: Felix Reyes St., Brgy. Balibago, Santa Rosa City, Laguna

   Postal Code: 4026

8. Issuer's telephone number, including area code: +632 7759 7595

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

10. Securities registered pursuant to Sections 8 and 12 of the SRC:

Title of Each Class	Number of Shares Issued and Outstanding
Common	17,968,611,496

11. Are any or all of these securities listed on a Stock Exchange? Yes [x] No [ ]

    As of December 31, 2024, a total of 17,968,611,496 common shares are listed in the Philippine Stock Exchange (PSE).

12. Check whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [x] No [ ]

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

    Yes [x] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: About ₱62,015,254,425.60 (based on the closing price of MONDE's common shares, and outstanding shares owned by non-affiliates as of December 31, 2024).

APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the SEC: Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

    1. 2024 Parent Company (*i.e.*, the issuer, Monde Nissin Corporation's) Audited Financial Statements (with BIR ITR Filing Reference)
    2. 2024 Consolidated Audited Financial Statements of Monde Nissin Corporation and Subsidiaries and Supplementary Schedules

TABLE OF CONTENTS

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Monde Nissin Corporation (the "Parent Company", the "Company", or "MONDE") was incorporated and registered with the Philippines' Securities and Exchange Commission ("SEC") on May 23, 1979. Under its charter, its primary purpose is to engage in manufacturing, processing, baking, packaging, servicing, repackaging, assembling, importing, exporting, buying, selling, trading, or otherwise dealing in all kinds of goods, wares, and merchandise, which are or may become articles of commerce such as but not limited to noodles, candies, confectionaries, biscuits, cakes and other foods, drugs, and cosmetics. MONDE has a perpetual corporate term as provided under the Revised Corporation Code of the Philippines (Republic Act No. 11232).

On June 1, 2021, MONDE held an initial public offering ("IPO") of its common shares and was listed on the main board of the Philippine Stock Exchange ("PSE"). As of December 31, 2024, its market capitalization is at or around ₱154,530,058,865.60 based on a common share price of ₱8.60.

GROUP OVERVIEW

MONDE and its subsidiaries (the "Group") are among the frontrunners in the Philippine food manufacturing industry with a portfolio of various iconic and well-recognized brands. The Group's two core businesses are the Asia-Pacific Branded Food and Beverage Business (the "APAC BFB Business"), and the Meat Alternative Business, which includes the production, marketing, and sales of the *Quorn* and *Cauldron* meat alternatives brands (the "Meat Alternative Business").

The APAC BFB Business comprises three product groups: instant noodles; biscuits; and others (such as beverages, baked goods, and culinary aids). Flagship brands contributing to the APAC BFB Business's market-leading position include: *Lucky Me!* for instant noodles; *SkyFlakes*, *Fita, Nissin*, and *M.Y. San Grahams* for biscuits; *Mama Sita's* for culinary aids; and *Dutch Mill* for yogurt drinks and cultured milk.

Marlow Foods Limited (known by its trade name "Quorn Foods") is the only large-scale commercial provider of mycoprotein, a fungi-based, fermented protein that is high in protein, high in fiber, low in saturated fat, and contains no cholesterol. The fermentation process required to produce mycoprotein at scale requires significant capital investment and, more importantly, a unique know-how which Quorn Foods has derived from over 30 years of operating experience to maximize yield and efficiency.

Apart from MONDE becoming a publicly-listed company in 2021 (PSE: MONDE), the Group reached key milestones in recent years. In 2020, Quorn Foods established the Fermentation Development Center in its Belasis Facility in Billingham, UK, to accelerate the protein research program. In 2021, MONDE acquired an additional 55% stake in Sarimonde Foods Corporation ("SMFC") from PT Nippon Indosari Corpindo TBK, raising its equity interest in SMFC to 80%, resulting in SMFC becoming a subsidiary of MONDE; MONDE acquired the remaining 40% stake in Monde M.Y. San Corporation ("MMYSC") from MY Crackers, Inc. ("MCI") and MMYSC became MONDE's wholly-owned subsidiary; and Quorn Foods's fourth fermenter becomes operational, increasing the production capacity of mycoprotein paste. In 2023, MONDE acquired a minority equity position in Figaro Coffee Group, Inc. ("FCG"), providing MONDE exposure to the foodservice sector and offering the opportunity to explore potential mutually beneficial collaborations. Also in 2023, MONDE acquired the remaining minority stake in KBT International Holdings, Inc. ("KBTI"), making KBTI a wholly-owned (99.9999%) subsidiary of MONDE.

The Group operates the APAC BFB Business through the Parent Company and its wholly-owned or majority-owned subsidiaries, joint ventures, as well as through established relationships with other renowned Fast Moving Consumer Goods ("FMCG") players. The Group operates its Meat Alternative Business through Quorn Foods under the *Quorn* and *Cauldron* brands. For the year ended December 31, 2024, the APAC BFB Business generated ₱69.5 billion of net sales compared to the Group's total net sales of ₱83.1 billion. Net sales of the APAC BFB Business is generated mainly from MONDE's operations in the Philippines and accounted for 94.1%, 93.4%, and 93.0% of the APAC BFB Business's total net sales for the years ended December 31, 2022, 2023, and 2024, respectively. The Meat Alternative Business generated net sales from the United Kingdom ("UK") and the United States of America ("US"), and the rest of the world. Net sales from the UK amounted to 77.1%, 78.4%, and 78.6% of the Meat Alternative Business's total net sales for the years ended December 31, 2022, 2023, and 2024, respectively. Net sales from the US amounted to 8.6%, 6.0%, and 5.6% of the Meat Alternative Business's total net sales for each of the same years, respectively. Net sales from the rest of the world amounted to 14.3%, 15.6%, and 15.8% of the Meat Alternative Business's total net sales for each of the same years, respectively.

For each of the years ended December 31, 2022, 2023, and 2024, the Group's net sales amounted to ₱73.9 billion, ₱80.2 billion, and ₱83.1 billion, respectively; and the Group's core net income after tax amounted to ₱6.6 billion, ₱7.6 billion, and ₱9.8 billion, respectively; and the Group's reported net income/loss amounted to ₱13.0 billion loss, ₱0.6 billion loss, and ₱0.5 billion income, respectively.

For the same periods, the APAC BFB Business contributed 79.2%, 82.3%, and 83.6%, respectively, to the Group's net sales while the Meat Alternative Business contributed 20.8%, 17.7%, and 16.4% in each of the same years. For the years ended December 31, 2022, 2023, and 2024, the APAC BFB Business reported core net income of ₱6.9 billion, ₱8.6 billion, and ₱10.6 billion, respectively, while the Meat Alternative Business reported core net income/loss of ₱0.3 billion loss, ₱1.0 billion loss, and ₱0.8 billion loss in each of the same years; and the APAC BFB Business's reported net income amounted to ₱7.4 billion, ₱9.2 billion, and ₱10.9 billion, respectively, while the Meat Alternative Business reported net loss of ₱20.4 billion, ₱9.8 billion, and ₱10.4 billion, respectively in each of the same years.

APAC BFB BUSINESS

Products and Brands

The Group's APAC BFB Business manufactures, markets, and distributes an extensive portfolio of products which can be categorized into three product groups: (i) instant noodles; (ii) biscuits; and (iii) Others (such as baked goods, beverages, and culinary aids). The Group conducts its APAC BFB Business mainly in the Philippines and in Thailand.

Instant Noodles

Lucky Me!'s market share in retail sales value in the Philippines FY 2024 is 67.8% (source: Nielsen), ranking 1st.

The APAC BFB Group launched its instant noodles products under the *Lucky Me!* brand in 1989. Since then, *Lucky Me!* has grown into an iconic brand consumed by 98.7% of Filipino households by 2023, according to Kantar.

Lucky Me! offers a wide array noodle varieties. There are three product lines under *Lucky Me!*: (i) wet pouch; (ii) dry pouch; and (iii) cups. *Lucky Me! Instant Mami* comes in a variety of flavors and is enjoyed as a comforting savory noodle soup. *Lucky Me! Pancit Canton* pioneered the dry stir-fried pouched noodles segment in 1991. It offers a variety of flavors and is enjoyed either as is, or paired with other food. Launched in 1995 as the first of its kind in the Philippine market, *Lucky Me! La Paz Batchoy* and the *Lucky Me! Bulalo* are instant noodles served in bowls (now in cups) primarily for on-the-go convenience *Lucky Me! Go Cup* has since expanded to variants such as *Jjamppong*, *Sotanghon*, among others.

The APAC BFB Group manufactures, distributes, and markets *Lucky Me!* mainly in the Philippine market. Through its Thailand operations, the APAC BFB Group exports *Lucky Me!* to more than 50 countries.

Biscuits

Biscuits was the first product group that the APAC BFB Group marketed when it started its operations. The APAC BFB Group launched its biscuit brand *Nissin* in 1979. MONDE's acquisition of a majority stake in M.Y. San Biscuit, Inc. (renamed as Monde M.Y. San Corporation [MMYSC] after the acquisition) in 2001 added *SkyFlakes*, *Fita,* and *M.Y. San Grahams*- branded crackers to its portfolio.[1] Since then, the APAC BFB Group has added an assortment of delectable snacks, from wafers to cookies to cracker and cookie and cracker sandwiches.

The biscuits product group's market share in retail sales value in the Philippines FY 2024 is 28.5% (source: Nielsen), ranking 2nd.

[1] 20 years later, or in 2021, MONDE acquired MY Crackers, Inc.'s remaining 40% stake in MMYSC and MMYSC became MONDE's wholly-owned subsidiary.

The APAC BFB Group manufactures, distributes, and markets its biscuits products mainly domestically in the Philippines. Brands under the biscuits segment that the APAC BFB Business manufactures, distributes, and markets in the Philippines are *Nissin*, *SkyFlakes*, *Fita*, *Bingo,* and *M.Y. San Grahams*.

In Thailand, the APAC BFB Group manufactures, distributes, and markets products under the *Voiz, Sumo, and Kid-O* brands.

Others

The products of the APAC BFB Group under *Others* are packaged baked goods, beverages, culinary aids, and fresh bread.

Under beverages, the APAC BFB Group's Yogurt drinks' market share in retail sales value in the Philippines FY 2024 is 91.4% (source: Nielsen), ranking 1st. Cultured milk's market share in retail sales value in the Philippines FY 2024 is 26.6% (source: Nielsen), ranking 2nd. Under culinary aids, Oyster sauce's market share in retail sales value in the Philippines FY 2024 is 59.7% (source: Nielsen), ranking 1st.

The APAC BFB Group markets domestically in the Philippines the various brands under its Others product group. The Company manufactures, distributes, and markets *Monde* packaged bakery products. *Monde* represents the APAC BFB Group's product initiative to venture into the mass premium bakery segment. *Monde* was the first brand in the Philippines to offer bakeshop-quality cakes and pastries made with real eggs and fresh ingredients.

SMFC is the manufacturer of *Monde Bread and Monde Walter,* a healthy product line offering bread that contains fiber and wheat and has low or no sugar.

In 2006 and 2016, MONDE entered into distribution agreements with Dairy Plus Co., Ltd. ("DPC") and Dutch Mill Co. Ltd., ("DMC") respectively, where MONDE became the exclusive distributor of *Dutch Mill* yogurt products and cultured milk in the Philippines. In 2010, the Group expanded its relationship to include marketing by the Group of *Dutch Mill Yoghurt Drink* products. In 2014, MONDE also entered a 20-year Distribution, Marketing, and Sales Development Agreement to establish an agency relationship with Sandpiper Spices and Condiments Corp. ("SSCC"), the manufacturer of *Mama Sita's* branded products, to exclusively market and distribute *Mama Sita's* products in the Philippines. These products include oyster sauce, and meal mixes and sauces. *Mama Sita's* is a legacy brand with rich culinary heritage well-established in the Philippine market. In 2023, MONDE allowed SSCC or its distributors to sell permitted products in the foodservice and non-traditional channels. In the same year, MONDE further expanded its relationship with DMC to include the marketing of *Dutchmill Delight* and *Dutchmill Proyo Yoghurt Drink*. MONDE believes that it derives above-market economic advantages for these marketing and distribution agreements because of the entrepreneurial role it plays where it makes marketing investments for the relevant products.

In 2024, MONDE entered into an exclusive distribution agreement with Binh Duong Nutifood Nutrition Food Joint Stock Company, a Vietnamese Company, for Monde Nuvi Chocolate drink with Nata de Coco. MONDE also launched a new product, Goodnom Fresh Gata, in the market in 2024.

Raw materials

Raw materials accounted for 70%-75% of cost of goods sold since the year ended December 31, 2019 onwards. In 2024, the raw materials that accounted for the largest percentages of the APAC BFB Business's cost of goods sold were wheat/flour, palm oil, shortening, coconut oil, and sugar.

For the year ended December 31, 2024, flour from MONDE's Santa Rosa plant served majority of the APAC BFB Group's production requirements, and the APAC BFB Group purchased the rest from local millers. The APAC BFB Group sources palm oil for its Philippine operations from multiple local suppliers and refiners, which in turn buy from Indonesia and Malaysia, while its Thailand operation sources palm oil wholly from Thailand. Sugar and coconut oil are sourced mainly from local suppliers in the Philippines and in Thailand. The cost of packaging is immaterial compared to the aforementioned raw materials.

For packaging, the main raw materials for all product groups are plastic wrappers, plastic cups, PET sachets, and packaging cartons. Except for the PET sachets used for soy sauce and oil, all packaging raw materials are sourced locally. As part of the Group's focus on Sustainability, the APAC BFB Group implemented various measures to use less packaging materials for its products which also resulted in significant cost savings. In Thailand, the APAC BFB Group resized and redesigned its biscuits product packaging to be tighter and adjusted the thickness of the packaging. The Group is also considering using recyclable materials for all its packaging in the future.

Prices of raw materials are subject to significant volatility due to extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, currency exchange rate fluctuations, and other factors. The APAC BFB Group revisits regularly the prices of its commodity raw materials such as flour and sugar, and makes provision in its supply contracts to allow for further adjustment to achieve cost efficiency and supply assurance. The APAC BFB Group has managed to partially mitigate price fluctuations in raw materials through a combination of (i) operational synergies, (ii) the use of long-term contracts with suppliers to lock in pricing, and the (iii) diversification of sources of supply. Given that a significant portion of the APAC BFB Group's flour requirement is produced in-house at its Santa Rosa plant, it enjoys consistent supply, quality, and cost savings for flour from this operational synergy. In 2024, MONDE entered into a long-term land lease agreement with Atlantic Grains, Inc., and purchased the latter's flour milling facilities in Calaca, Batangas, which provides redundant capacity for the APAC BFB Group's flour requirements. Operational synergy is also achieved in the supply of seasoning for instant noodles production from the seasoning plant in Thailand which offers comparatively lower costs than if seasonings were to be supplied in the Philippines as Thailand serves as one of the regional hubs for the food manufacturing industry.

Suppliers

The APAC BFB Group conducts vendor/supplier due diligence and accreditation procedures. To optimize value for both the supplier and the Group as purchaser, the Group has started a more holistic end-to-end value analysis to see total system costs and losses factoring in price, quality, reliability, and impact to the total supply chain, examples include wheat, palm oil, and packaging; and working out a joint solution with suppliers to take the losses out. This approach opened up new possibilities and collaborations, and enabled the Group to speed up sustainable solutions such as renewable energy in 2022 and coal-to-LPG in new sites.

The APAC BFB Group does not depend on a single supplier where the loss of such supplier would have a material adverse effect on its operations. The APAC BFB Group's key suppliers include Pacificor, LLC, Pilmico Foods Corporation, Oleo-Fats, Incorporated, Bunge Asia Pte. Ltd., Tap Oil Manufacturing Corporation, All Asian Countertrade, Inc., and Multi Oil Manufacturing Corporation for raw materials such as wheat, palm oil, flour, sugar, and coconut oil.

Research and Development (R&D)

The Group spent 0.23%, 0.36%, and 1.0% of its revenues for the years ended December 31, 2022, 2023, and 2024 respectively, in research and development. Furthermore, to augment its in-house R&D capabilities, the APAC BFB Group also collaborates with various innovation companies and organizations.

Distribution channels

MONDE distributes via resellers and distributors with whom it maintains strong and long-standing relationships. This has resulted in robust distribution capabilities with extensive market penetration across all key distribution channels in the Philippines, an archipelagic country having its own unique logistical challenges.

MONDE's main distribution channels are traditional trade, modern trade, the community distribution network, and a negligible amount of online sales. For the year ended December 31, 2024, MONDE had in the Philippines more than 260,000 customers in traditional trade, and 82 chains with almost 12,000 doors in modern trade. It had more than 1,400 independent brand experts in its community distribution network.

The APAC BFB Group currently exports its instant noodles and biscuits products to more than 50 countries, particularly to Asia, the Middle East, Europe, and North America.

Customers

MONDE has no customer which accounts for more than 10% of total net sales for the year ended December 31, 2024. Thus, the loss of any of its customers would not have a material adverse effect on its operations.

MONDE has standardized distribution contracts with its distributors and modern trade customers (with general payment terms for modern trade customers), while outlets have standard operating procedures in place for invoicing.

Competition

The APAC BFB Group believes that future growth in all product groups will be driven by (i) meaningful product innovation and renovation centered around improving consumer experience in taste and overall value, premiumization, and hyper-convenience; (ii) extensive coverage of distribution; (iii) impactful store execution; and (iv) strengthening brand saliency and imagery.

Instant Noodles

Competitors in the Philippines' instant noodles category include Payless, Quickchow, Homi, NIssin, Nongshim, Ottogi, among others. Most local players compete on price, while imported brands offer international taste profiles.

Biscuits

The APAC BFB Group remains to be among leading brands in Biscuits. To strengthen its position in the market, the APAC BFB Group aims to focus on brands where it has the ability to win further market shares and where gross margin is richer.

In Thailand, the APAC BFB Group faces competition from Universal Robina, Glico, Mondelez, Thai President, and Mayora, which generally compete on product range, new product development, and investment in marketing campaigns.

Others

Yogurt as a category competes within the broader Ready-To-Drink Dairy with Ready-To-Drink Milk being the largest. Included here are key players in plain milk-- Nestle, Bear Band, Selecta and Chocolate Milk—Chuckie, Vitamilk and Zesto Choc-O. Specific to Yogurt, directly competing brands are Alaska and Sta. Maria. Del Monte, in partnership with Vinamilk of Vietnam, is also present with a line of dairy beverages. With the entry of Monde Nuvi in Ready-To-Drink Chocolate, it competes with long time market leader Chuckie. Yakult is the main competitor for cultured milk competing on its heritage as a highly functional and specialized digestive drink.

For culinary aids, competitors include Nutri-Asia and Ajinomoto which compete mainly on value pricing, Unilever and Nestle which are established global brands in seasoning and flavorings, and Del Monte which promises taste and nutrition. However, these brands are better known for other products, rather than the products that *Mama Sita's* leads in. Goodnom Fresh Gata's main competitor is leading brand Coco Mama from Century Pacific.

In the bakery segment where low-price products lead, MONDE entered the packaged cake market by pioneering the mass premium segment. *Monde*'s pricing is about 30% more affordable per unit than products of other leading bakery brands such as Red Ribbon and Goldilocks, but more than 50% premium to other packaged cakes such as Big E and Rebisco.

Employees

As of December 31, 2024, MONDE had 3,593 employees. The following table sets forth a breakdown of the MONDE's employees by function as of the same date.

Functions	Number of Employees in 2024
Operations (manufacturing, procurement and supply network)	2,977
Sales and Marketing (sales, brands, insights, media)	270
Support (human resources, IT)	121
Accounting and Finance	150
Product Development	40
Corporate (corporate & government affairs, legal and compliance, sustainability, audit)	35
Total	3,593

MONDE believes that the compensation packages and benefits it offers to employees are competitive. MONDE established a provident fund with its employees on a voluntary basis. In the Philippines, both the employees and the Company contribute to the fund monthly at rates of 1% to 20% of the employee's basic salary. After three years, it matches the employee contribution up to 3%. Vesting applies to retiring employees beginning on the 10th year.

As of December 31, 2024, 21% of MONDE's employees belonged to and were represented by one trade union, namely the Confederation of Filipino Workers. MONDE had a five-year collective bargaining agreement with its employees expiring on April 30, 2026. Salary increase and supplemental benefits such as one-time signing and mid-year bonuses, and medical and bereavement assistance are consistent parts of the collective bargaining agreement.

MONDE is not involved in any material labor dispute which would have a material effect on its business, financial condition, and results of operations, and it is not aware of any circumstances that would give rise to such labor disputes, and has not experienced any labor strikes.

Intellectual Property

MONDE holds several trademarks, trade names, service marks, and other intellectual property rights, including trade secrets on technology know-hows and formulae in connection with its production processes. It considers these intellectual property rights, particularly trademarks, as crucial to its operations as brand name recognition is a key factor in the success of its business.

MONDE has registered its trademarks in the relevant jurisdictions in which it operates. As of December 31, 2024, it has over 80 trademarks, trade names, and service marks registered in over 25 countries and territories. MONDE's subsidiaries also procure and renew the relevant trademark registrations for their respective brands. Depending on the jurisdiction, trademark registrations generally are valid as long as they are used. MONDE has pending trademark applications and generally expects that these will be granted.

In addition to trademark registration, MONDE relies on a combination of (i) patent, trademark, copyright, and trade secret protection laws in various jurisdictions; (ii) employee and third-party non-disclosure agreements; and (iii) policing of third-party misuses and infringement to protect its intellectual properties. MONDE pursues available remedies to protect its portfolio of intellectual property rights, including trademark registrations.

Transactions with and/or Dependence on related parties

The Group, in the ordinary course of its business, has entered into transactions with affiliates and other related parties. Transactions with related parties are fair, entered into on an arm's length basis and at market rates. These transactions with related parties are described in Note 23 (Related Party Transactions) of the Group's 2024 Audited Consolidated Financial Statements attached hereto as Annex A.

Governmental Approvals

MONDE and its Philippine subsidiaries have obtained, or are in the process of obtaining or updating where relevant, all material permits and licenses from the relevant and appropriate local government units and regulatory agencies.

MONDE believes that it has all material permits and licenses necessary for it to operate its business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal. MONDE expects to secure in due course approvals for those material permits and licenses which are pending renewal. MONDE does not expect that the pendency of the renewals for certain permits will have a material adverse impact on its operations.

Government Regulation

In 2024, MONDE continued is capacity expansion with the opening of its bakery plant in Davao, the first of MONDE's plants to receive incentives from the Philippine Board of Investments.

The Group has no knowledge of recent or impending governmental regulations, the implementation of which will result in a material adverse effect on MONDE and its significant subsidiaries' business or financial position.

Various government agencies in the Philippines regulate the different aspects of the Group's manufacturing, processing, sales, and distribution businesses.

Costs and Effects of Compliance with Environmental Laws

The Group incurred about ₱304,999,810.73 in expenses for environmental compliance for its APAC BFB Business for the year 2024. On an annual basis, operating expenses incurred by the Group to comply with environmental laws for its APAC BFB Business are not significant or material relative to MONDE and its subsidiaries' total cost and revenues.

Costs for environmental compliance included (a) environmental monitoring & management, which includes air emission sampling (point source and/or ambient air), maintenance of air pollution control facilities (dust collectors), wastewater sampling, operation and maintenance of wastewater treatment facilities, solid waste management (waste treatment and disposal with 3rd party service providers), and permitting (application/permit fee for pollution control officer accreditations, permit to operate, discharge permit, permit to transport, etc.); (b) environmental enhancement programs, which includes housekeeping, tree planting/growing activities, and clean-up drives; (c) trainings; (d) extended producer responsibility compliance; and (e) settlement of penalties and impositions, where applicable.

Major Business Risks

The APAC BFB Business's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have impacted its results in the past, and which will continue to influence its results in the foreseeable future. Factors other than those discussed below could also significantly impact the APAC BFB Business's results of operations and financial condition in the future.

Demand and Pricing

The APAC BFB Group's results of operations are affected by consumers' demand for its products, and pricing, in turn, influences demand. When determining its selling prices, the APAC BFB Group considers various factors, including, among others, prices of raw materials and packaging materials, taxes, fuel prices and other costs of doing business, distribution channels, and general economic conditions. The APAC BFB Group believes that instant noodles, bread, biscuits, and culinary aids are considered consumer staples. For the year ended December 2024, noodles, biscuits, beverages, and packaged cakes have seen growth These products can be sensitive to movements in disposable incomes, changes in product prices, and competitive pressures. Volume, as well as value, proved generally resilient to the adverse effects of persistently high inflation.

Demand for fast-moving consumer goods is price elastic in general, particularly for consumers in the lower socio-economic classes where disposable income is limited. When prices increase or during periods of relatively weak economic growth where disposable income falls, consumers, particularly those in the lower socio-economic classes, tend to switch to comparable lower-priced staple products and cut back on their consumption of discretionary products.

In addition, demand for fast-moving consumer goods is also influenced by the relative price relationships between such goods, consumer products, and other products and services in general. Consumers are prone to adjust their buying choices according to shifts in the perceived value-for-money propositions of the products. The APAC BFB Group intends to continue to innovate its products to enhance their perceived product value.

Changes in Consumer Tastes and Preferences

The APAC BFB Group's future growth will depend on its ability to maintain the competitive positions of its product portfolios and brands by proactively anticipating and responding to constant changes in consumer tastes and preferences. A key element in maintaining the market share for the APAC BFB Group's product portfolios is the ability to continuously and successfully introduce new products and product extensions to capture prevailing consumer preferences.

Consumer preferences may change due to various factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle and leisure activity patterns, changes in regulations, and actions of competitors, any of which may affect consumers' perception of and willingness to purchase the APAC BFB Group's products. This may then significantly impact the results of the APAC BFB Group.

The APAC BFB Group regularly keeps abreast of the evolving consumer preferences and believes that its current broad array of products can address the shifts in trends.

Effectiveness of Sales and Marketing Activities

The effectiveness of the APAC BFB Group's sales and marketing activities is critical to its market share expansion and revenue growth. The APAC BFB Group communicates with consumers through various channels and touchpoints.

Advertising affects consumer awareness of the APAC BFB Group's products and brands, which, in turn, affects purchase decisions and, consequently, sales volumes. The APAC BFB Group believes that product differentiation and brand loyalty are achieved through its marketing and image-building efforts; and consumer brand preferences are the cumulative result of exposure to the brands over an extended period. However, the effects of these sales and marketing activities may be delayed, resulting in delayed revenue growth which may not be fully reflected during the period in which the sales and marketing activities took place.

Prices of Raw Materials and Packaging Materials

Direct materials are major components of the APAC BFB Group's cost of goods sold. Direct materials comprise raw materials and packaging materials. Raw materials primarily consist of wheat/flour, palm oil, sugar, and coconut oil. The APAC BFB Group sources raw materials and all its packaging materials globally.

Raw materials are subject to significant price volatility caused by various factors, including changes in global supply and demand, extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, and currency exchange rate fluctuations. In addition, the APAC BFB Group's ability to obtain raw materials and packaging materials is affected by factors beyond its control, including armed conflict, natural disasters, governmental laws and policies, interruptions in production by suppliers, and the availability of transportation.

The APAC BFB Group's profitability is dependent on, among other factors, its ability to anticipate and react to fluctuations in the price of commodities, raw materials, and packaging materials. An increase in prices for or shortage of the APAC BFB Group's raw materials and packaging materials generally leads to an increase in production costs or interruption in the APAC BFB Group's production schedules, each of which could adversely affect its operating margins. Production delays could lead to reduced sales volumes and profitability as well as the loss of market share. Conversely, favorable movements of raw material costs and other items might improve the APAC BFB Group's margins and results of operations. The APAC BFB Group has been able to mitigate price fluctuations in raw materials to some extent through a combination of (i) operational synergy, (ii) the use of short-term and long-term contracts with suppliers to lock in pricing, and (iii) diversification of sources of supply.

Given that a significant portion of the APAC BFB Group's flour requirement is produced in-house at its Santa Rosa facility, the APAC BFB Group enjoys consistent supply, quality, and cost savings for flour from this operational synergy. This is further enhanced by the APAC BFB Group's affiliate's own grain import terminal which allows independent procurement of wheat at scale. In 2024, MONDE entered into a long-term land lease agreement with Atlantic Grains, Inc., and purchased the latter's flour milling facilities in Calaca, Batangas, which provides redundant capacity for the

APAC BFB Group's flour requirements. Operational synergy is also achieved in the supply of seasoning for instant noodles production, as the APAC BFB Group is operating a seasoning plant in Thailand to produce seasoning and condiments for its noodle plants in the Philippines.

Increases in costs of raw materials and packaging materials can typically be passed on to consumers. However, this may affect consumer demand as the APAC BFB Group's consumers are generally price sensitive. In some cases, these increases are not immediately passed on, if at all, to consumers to maintain or grow sales volumes and to protect the APAC BFB Group's market share. As a result, any material increase in the market price of raw materials could adversely affect the APAC BFB Group's operating margins, which may affect its financial position and operating performance.

Product Mix

The APAC BFB Group has a diversified product mix which primarily includes instant noodles, biscuits, and other fast-moving consumer products. The APAC BFB Group adopts a multi-brand approach, pursuant to which there are one or more brands or product lines under each product category. Under each brand, the APAC BFB Group offers products with different flavors, different package sizes, and/or different types of products to provide varieties. For example, in the instant noodles product group, there are three product lines under the *Lucky Me!* Brand: (i) wet pouch; (ii) dry pouch; and (iii) cups. Each *Lucky Me!* Product line offers a wide array of flavors. The ability of the APAC BFB Group to continuously develop new products and launch product extensions to capture various consumer preferences enables the APAC BFB Group to successfully make available to its consumers a diverse and innovative product mix.

Typically, different products vary in product pricing, revenue growth rate, and gross profit margin. Each of the APAC BFB Group's brands has its own unique positioning with different marketing strategies and promotional costs. As a result, the APAC BFB Group's revenue and profitability are largely affected by its product mix.

Competition

The APAC BFB Group's products face competition from other domestic producers as well as from imported products and foreign brands. Competitive factors facing the APAC BFB Group's products include price, product quality, and availability, production efficiency, brand awareness and loyalty, distribution coverage, security of raw material supply, customer service, and the ability to respond effectively to changes in the regulatory environment as well as to shifting consumer tastes and preferences.

The APAC BFB Group's main competitors for the instant noodle segment are domestic producers which compete on pricing and imported/multinational brands that offer different flavors and taste experiences. The biscuits and other fast-moving consumer product groups face competition from local and imported/multinational competitors. Similar to the instant noodle segment, these players compete on pricing, taste, and innovation. Changes in the competitive landscape, including new entrants into the market, consolidation of existing competitors, and other factors, could have a material impact on the APAC BFB Group's financials and results of operations.

Economic, Social and Political Conditions in the Philippines and Other Countries

The majority of the Group's assets and revenues from its APAC BFB Business are in or derived from its operations in the Philippines. Therefore, the APAC BFB Group's business, financial condition, results of operations, and prospects are substantially influenced by the economic, social, and political conditions in the Philippines, while the APAC BFB Group is also significantly exposed to global commodity markets, mainly those for agricultural goods and energy. The Philippine economy has experienced good Gross Domestic Product ("**GDP**") growth exceeding that of some of its emerging market peers. The Philippine economy has experienced periods of slow or negative growth, high inflation, high interest rates, high fuel prices, high power rates, high other costs of doing business, and significant depreciation of the Peso. It has been significantly affected by weak economic conditions and volatilities in the global economy and the Asia-Pacific region. In addition, global conflicts such as the Russia-Ukraine war and the various conflicts in the Middle East and their impacts on the global markets will continue to influence the APAC BFB Group materially in areas such as soft-commodity and energy/fuel costs. While commodity costs were generally favorable for the APAC BFB Group in 2024, a high degree of volatility remains in the market reflected for example in significant swings in palm oil towards the end of 2024. While the APAC BFB Group notes that the world market prices have gone down from their peak prices in 2023, a significant downside risk remains in case of escalations around various geo-political conflicts and weather events impacting growing regions. As consumers grapple with uncertainty, their buying behavior and preferences may become more erratic as well.

Sales of most of the products of the Group's APAC BFB Business have been influenced and will continue to be influenced, to some degree, by the general state of the Philippine economy as well as the stability of social and political conditions in the country. The agricultural policy stance may significantly influence the APAC BFB Business's results especially around raw materials such as sugar and its related importation quotas, and consumer shifting between food groups as they are avoiding products impacted by high inflation. Rice prices have been driving inflation persistently, and could further drive consumer decisions of having to make choices between food groups. While sales of a portion of the APAC BFB Group's products such as biscuits, beverages, and packaged cakes can be sensitive to changes in income and social conditions, the APAC BFB Group offers products that are considered as staple items or components to staple items which are less sensitive to income changes and adverse economic, social, and political conditions. These include instant noodles, bread, and culinary aids.

The Group also conducts its APAC BFB Business in Thailand, including export operations to select territories. As such, economic, social, and political conditions in Thailand may also affect the APAC BFB Group's business, financial condition, results of operations, and prospects. In addition, the economic environment globally may influence the planned expansion strategy of the export business as distributors act more cautiously on new product launches, advertising, and promotional spend. A successful execution of the expansion of the overseas business may provide possible upside to the APAC BFB Business. Global containers' shipping prices, as well as availability may influence growth and profitability of the export business in the upcoming periods.

Seasonality

In the consumer goods industry, results of operations generally follow the seasonality of consumer buying patterns, and the APAC BFB Group's sales are affected accordingly. In the Philippines, most food and beverage products, including those of the APAC BFB Group, experience increased sales from October to December related to the Christmas and New Year's season. Consequently, the fourth quarter has historically been the APAC BFB Group's strongest quarter by volume for culinary aids and some of its biscuit products, including *M.Y. San Grahams*. Seasonality during certain events also affects the APAC BFB Group's sales. In addition, seasonality varies across product types. Some of the APAC BFB Group's products have distinct seasonality. For instance, *Lucky Me!* wet pouch instant noodles see an increase in sales in the rainy season due to the consumers' preference for warm food. Instant noodles and crackers are mainstays of relief goods being distributed in times of calamities. A number of biscuit products experience higher sales during the school year as the APAC BFB Group's products are generally purchased for lunch boxes, between-meals, on-the-go consumption, and consumption at home. As a result, seasonality could affect the APAC BFB Group's financial condition and results of operations from one quarter to another. To counter the seasonality of some of its products, the APAC BFB Group created marketing and advertising initiatives that encourage the sustained consumption of its products throughout the year. The APAC BFB Group believes that the diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio.

Innovation

In addition to its ability to introduce new product innovations and renovations, delivering on the APAC BFB Group's aspiration will also depend on the APAC BFB Group's ability to continuously drive loss-eliminating process innovations and work system innovation. Continuous improvement in process innovation and work system redesign will impact multiple fronts such as superior quality and consumer experience, fresher products to market, higher productivity, and improved sustainability via less wastage/use of resources and better process reliability.

Capacity and Utilization of the APAC BFB Group's Facilities

The ability of the APAC BFB Group to meet the demand for its products depends on its ability to build, maintain, and expand its production capacity. Capacity expansion affects the ability of the APAC BFB Group to introduce new products or new uses for its existing products, which, in turn, impacts the ability of the APAC BFB Group to be agile and responsive to rapidly changing customer needs and expectations.

Capacity improvement and expansion require significant capital investment. An investment in new technology or an enhancement of existing technology to increase capacity and utilization may result in operational challenges. Furthermore, the effects of these investments may be delayed, resulting in delayed revenue growth.

MEAT ALTERNATIVE BUSINESS – QUORN FOODS

Products and Markets

The Group's Meat Alternative Business produces and sells two categories of food products marketed under two brands: (i) mycoprotein-based products marketed and sold under the *Quorn* brand, and (ii) plant-based products marketed and sold under the *Cauldron* brand. *Quorn* and *Cauldron* products are healthy and environment-friendly alternative protein sources suitable for various cooking methods. *Quorn* and *Cauldron* products are suitable for various meal occasions and needs, such as breakfast, lunch, dinner, snacking, and food-on-the-go.

The Meat Alternative Business offers an extensive range of mycoprotein-based vegan and vegetarian products, some gluten-free. *Quorn* products offer an alternative for the key meat types: beef, pork, poultry, and fish. Its products cover all key shop aisles: frozen, chilled, and food cupboards.

Quorn products are sold in the UK, the Republic of Ireland, the US, Europe (including Switzerland, Belgium, Germany, Netherlands, France, Spain, Luxembourg, Italy, and Austria), Nordics (Sweden, Finland, Norway, and Denmark), Southeast Asia, and Australasia.

Cauldron products are sold in the UK and the Republic of Ireland. All *Cauldron* products are suitable for vegetarians, and *Cauldron* tofu and falafel are suitable for vegans. Cauldron products offer alternative sources of protein that complement *Quorn* products. *Cauldron* products are offered in chilled form.

Marlow Ingredients, a division of Quorn Foods, was established in 2023 to supply mycoprotein as an ingredient to business customers in the food industry.

Raw Materials

All *Quorn* branded products contain mycoprotein that is produced at Belasis. Mycoprotein can be used in vegan and vegetarian products and uses glucose as a key ingredient. To ensure continuity of supply, the Meat Alternative Business obtains its glucose supply from several suppliers based in the UK and France. Other minerals are used in the production of mycoprotein. Although some of these minerals are purchased from a single supplier, the Meat Alternative Business continues to identify alternative suppliers to avoid supply issues where required. Therefore, the Meat Alternative Business does not believe that losing any of its suppliers would materially affect its operations.

Cauldron products are made from various ingredients, including soya beans, chickpeas, soya protein, onion, and seasonings. Mycoprotein is mixed with other raw materials such as egg albumen (or its alternative for vegan products), natural flavors, seasonings, and coatings to produce Quorn products. These raw materials are sourced through a pool of accredited third-party suppliers who are regularly audited by Quorn Foods's Quality and Compliance team in accordance with Quorn Foods's sourcing procedures as well as food safety, quality assurance, and sustainability standards. Many ingredient suppliers are long-standing suppliers of the Meat Alternative Business, with whom it has long-term supply agreements for key raw materials. The Meat Alternative Business does not depend on a single raw materials supplier, where the loss of such a supplier would materially affect its operations.

Suppliers

Quorn Foods's Procurement Department ensures continuity of supply by having multiple sources for the critical ingredients and a geographical spread of suppliers using a standard supply contract for most of its suppliers. In all instances, renewal is done by negotiation and agreement. Procurement closely coordinates with the Planning team to ensure that appropriate stock levels are maintained. Purchasing efficiencies are secured by regularly benchmarking and tendering all materials. Quality control is assured via a systemic technical audit program, Global Food Safety Initiative ("**GFSI**") accreditation, self-audit questionnaires, and physical checks, as appropriate.

Research and Development (R&D)

The Quorn Foods group spent 4%, 5%, and 4% of its revenues for the years ended December 31, 2022, 2023, and 2024 respectively, in research and development. Furthermore, to augment its in-house R&D capabilities, the Quorn Foods group also partners with other organizations.

Quorn Foods conducts R&D in three principal areas:

- to further develop the fermentation process for the production of mycoprotein;
- to establish new commercial applications for mycoprotein; and
- to develop great tasting food for the consumers of the *Quorn* and *Cauldron* brands.

Distribution Channels

The Meat Alternative Business uses third-party logistics providers to distribute products to retailers and foodservice customers. These logistics providers are regularly audited by Quorn Foods's Technical and Compliance team and covered by Quorn Foods's food safety, quality assurance, and sustainability standards.

The Meat Alternative Business uses two third-party logistics providers in the UK with long-term contracts.

The Meat Alternative Business has a network of shipping, warehouse, and transportation companies to service overseas customers to ensure goods are stored and distributed to meet service and quality standards.

Retail

As of December 31, 2024, the Meat Alternative Business products were available in approximately 240,000 points of distribution, primarily in the UK, the US, and Europe across leading food retailers.

Food retailers in the UK primarily purchase directly from Quorn Foods. Food retailers outside the UK source the Meat Alternative Business products largely via direct supply from Quorn Foods, but with some reliance on third-party distributors.

Quick Service Restaurants (QSR)

The Meat Alternative Business has a strong presence in QSR distribution channels. The Meat Alternative Business supplies three out of the top ten and eight out of the top 50 restaurant and fast-food chains in the UK, with more restaurants and fast-food chains than competitors. Building on this strength, the Meat Alternative Business is working to extend its reach in QSR to the rest of Europe and beyond.

Foodservice Outlets

The Meat Alternative Business feeds out-of-home consumers through all stages of their lives (learning, caring, working and relaxing) and has a strong presence in the foodservice segment. Its products are served in approximately 75% of all schools (approximately 24,000 out of 32,000 schools) in the UK. Based on the Meat Alternative Business's internal brand tracking, they are available on the menu of 3,000 pubs/bars (4,500 menu items). Beyond the UK, the Meat Alternative Business is growing its foodservice business across Europe.

Foodservice outlets in the UK purchase directly from Quorn Foods and indirectly through major wholesalers. Foodservice outlets outside the UK source the Meat Alternative Business products primarily through third-party distributors.

The Meat Alternative Business also sells to local authorities in the UK through third-party distributors where Quorn Foods products form part of a healthy menu offered in schools.

Top Customers

For the year ended December 31, 2024, the Meat Alternative Business's top five customers accounted for more than 50% of total net sales. These customers are all based in the UK, and its largest single customer, Tesco, accounted for 20% of the Meat Alternative Business's total net sales.

The Meat Alternative Business does not have written contracts with its customers but instead agrees on joint business plans with them annually. Such practice is customary across the UK retail market.

Competition

The Meat Alternative Business competes with a broad category of market participants such as multinational corporates, venture capital-backed newer entrants, and retailer private label products. The product group also competes with traditional meat brands and purely plant-based producers.

Quorn Foods is the market leader in the meat alternatives market in the UK, with *Quorn* and *Cauldron* being the No.1 and No.4 brands with 27.2% and 4.4% of grocery retail market share by value in 2024, respectively, according to Circana (52-week data). *Quorn* has the broadest product portfolio in the UK market.

In the UK, the *Quorn* brand primarily competes with various meat alternative brands and private label products. *Cauldron* is complementary to the *Quorn* brand and competes in the alternative protein category. In the frozen category, the main branded competitor to Quorn is Linda McCartney, with Birds Eye also having a presence in the last three years. Competition comes from private labels and brands such as The Tofoo Co, THIS, Vivera, and Richmond in the chilled category. In the US, *Quorn* primarily competes with Boca (a brand of Kraft Heinz Foodservice), Gardein (a brand of Conagra Brands), and Morning Star Farms (a brand of Kellanova), which offer products across multiple categories as well as Beyond Meat and Impossible Foods. *Quorn* also competes with traditional meat brands such as Tyson.

Quorn is differentiated by a range of attributes including, the taste, health benefits, and sustainability of its food, driven by its core ingredient *Quorn* mycoprotein. The extensive range *Quorn* has across both chilled and frozen categories allows it to cover more meal occasions more often, as a key alternative to beef, pork, poultry, and fish. *Cauldron* is complementary to the *Quorn* brand and competes in the plant-based protein category on taste, health, and natural ingredients.

Employees

As of December 31, 2024, Quorn Foods had 783 employees across six international locations. The Meat Alternative Business believes that its diverse, well-trained, and experienced employee pool is a strong asset.

It aims to support its operating functions, grow the capability of its employees and promote its core values ("Stronger Together," "Think Big Act with Courage," "Make Lives Better," and "Strive to be the Best") through the implementation of various professional and personal development programs. These programs include:

- secondment opportunities to develop skills and capabilities and gain experience;
- financial support for professional qualifications;
- operational training to provide technical skills;
- an onboarding program to introduce new joiners to Meat Alternative Business's operations, policies, and administrative procedures;
- coaching programs developed to improve feedback conversations and enhance team performance;
- an online objective setting and performance review process; and
- a development plan framework to encourage conversations and ensure employees have a clear growth plan.

The following tables detail Meat Alternative Business's employees by employee type and by location.

Employee Type	Count
Executive management team	6
Other full-time employees	777
Total	**783**

Location	Count
UK	746
Continental Europe	23
US	14
Total	**783**

As of December 31, 2024, some of the employees of the Meat Alternative Business belonged to and were represented by two trade unions, Unite the Union at Belasis and Stokesley; and the Bakers, Food, and Allied Workers Union at Methwold.

As of December 31, 2024, Quorn Foods had a collective bargaining agreement with its employees in Belasis, Methwold, and Stokesley. The key provisions of these agreements include various aspects of pay, working hours and conditions, holidays, and the resolution of grievances.

The Meat Alternative Business believes that its employees' compensation packages and benefits are competitive. Base salaries are benchmarked using independent external bodies and salary surveys to ensure they remain competitive. Employee benefits include:

- pension contribution with Quorn Foods's standard matching rate of up to 5% for most employees, with higher contributions for certain employees in legacy pension schemes. Contribution to pension schemes is made through a salary sacrifice arrangement to maximize tax efficiency for employees who contribute to their pension;
- company car (or equivalent cash allowance) for staff above a certain grade (both recently reviewed for competitiveness);
- health care benefits for staff above a certain grade augmented by permanent health insurance for executive level staff;
- life assurance for employees in the pension scheme at four times the salary (ten times the salary for those in Belasis bargaining group); and
- discretionary bonus scheme for all employees at a level commensurate with their grades.

Intellectual Property

Quorn Foods holds several trademarks, trade names, service marks, and other intellectual property rights, including patents, trade secrets, know-how and formulae in connection with its production processes. It considers these intellectual property rights, particularly patents, trademarks, and know-how as crucial to its operations.

Quorn Foods has registered its trademarks in the relevant jurisdictions in which it operates, as well as those it might operate in in the future. As of December 31, 2024, it has over 20 trademarks, trade names, and service marks registered in over 100 countries and territories. Its subsidiaries procure and renew the relevant trademark registrations for their respective brands. Depending on the jurisdiction, trademark registrations generally are valid as long as they are used. Quorn Foods has pending trademark applications and generally expects that these will be granted.

In addition to trademark registration, Quorn Foods relies on a combination of (i) patent, trademark, copyright, and trade secret protection laws in various jurisdictions; (ii) employee and third-party non-disclosure agreements; and (iii) policing of third-party misuses and infringement to protect its intellectual properties. Quorn Foods pursues available remedies to protect its portfolio of intellectual property rights, including trademark registrations.

Governmental Approvals

The Meat Alternative Business has obtained, or is in the process of obtaining or updating where relevant, all material permits and licenses from the relevant and appropriate government units and regulatory agencies.

The Meat Alternative Business believes that it has all material permits and licenses necessary for it to operate its business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal. The Meat Alternative Business expects to secure in due course approvals for those material permits and licenses which are pending renewal. The Meat Alternative Business does not expect that the pendency of the renewals for certain permits will have a material adverse impact on its operations.

Government Regulation

The Meat Alternative Business is subject to the prevailing food standards and related regulations that apply in the markets in which it operates.

Costs and Effects of Compliance with Environmental Laws

The Meat Alternative Business did not directly incur separately identifiable expenses for environmental compliance for the year 2024. Compliance with environmental and sustainability standards is a key consideration in all decisions made by the Meat Alternative Business.

On an annual basis, operating expenses incurred by the Meat Alternative Business to comply with environmental laws are not significant or material relative to the Meat Alternative Business's total cost and revenues.

Major Business Risks

The Meat Alternative Business's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have impacted its results in the past, and which will continue to influence its results in the foreseeable future. Factors other than those discussed below could also significantly impact the results of operations and financial condition in the future.

Demand and Pricing

The Meat Alternative Business's results of operations are affected by consumers' demand for its products, and pricing, in turn, influences demand. When determining its selling prices, the Meat Alternative Business's considers various factors, including, among others, prices of raw materials and packaging materials, taxes, fuel prices and other costs of doing business, distribution channels, and general economic conditions. In spite of the challenges faced recently by the alternative protein foods category due to inflation and cost-of-living, the Meat Alternative Business believes the category remains an emerging category with further growth potential. For the year ended December 31, 2024, meat alternatives have seen a mixed performance with overall category declines. Sales of the Meat Alternative Business products can be sensitive to movements in disposable incomes, changes in product prices, and competitive pressures.

Demand for fast-moving consumer goods is price elastic in general, particularly for consumers whose disposable income is limited. When prices increase or during periods of relatively weak economic growth where disposable income falls, consumers, particularly those in the lower socio-economic classes, tend to switch to comparable lower-priced staple products and cut back on their consumption of discretionary products.

In addition, demand for fast-moving consumer goods is also influenced by the relative price relationships between such goods, consumer products, and other products and services in general. Consumers are prone to adjust their buying choices according to shifts in the perceived value-for-money propositions of the products. The Meat Alternative Business intends to continue to innovate its products to enhance their perceived product value, and taste preference over competition.

Changes in Consumer Tastes and Preferences

The Meat Alternative Business's future growth will depend on its ability to maintain the competitive positions of its product portfolios and brands by proactively anticipating and responding to constant changes in consumer tastes and preferences. A key element in maintaining the market share for the Meat Alternative Business's product portfolios is the ability to continuously and successfully introduce new products and product extensions to capture prevailing consumer preferences.

Consumer preferences may change due to various factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle and leisure activity patterns, changes in regulations, and actions of competitors, any of which may affect consumers' perception of and willingness to purchase the Meat Alternative Business's products. This may then significantly impact the results of the Meat Alternative Business. For example, during 2024, publicity regarding "Ultra Processed Foods" affected perceptions of the category among some consumers.

The Meat Alternative Business regularly keeps abreast of the evolving consumer preferences and believes that its current broad array of products can address the shifts in trends. The Meat Alternative Business believes that *Quorn* mycoprotein meat alternative products are well-placed to serve this segment for customers who demand food products that are more environment-friendly and offer health benefits. It innovates to develop new or enhance existing product lines with recent initiatives including new products in its snacking range and Cheesy Nacho Nuggets in its frozen range.

Effectiveness of Sales and Marketing Activities

The effectiveness of the Meat Alternative Business's sales and marketing activities is critical to its market share expansion and revenue growth. The Meat Alternative Business communicates with consumers through various channels and touchpoints, including advertisement on television, radio programs, social media platforms (such as YouTube, Facebook, Instagram, and Twitter), its website and sponsorship. Customer touchpoints at the purchase stage include in-store promotions and loyalty programs.

Advertising affects consumer awareness of the Meat Alternative Business's products and brands, which, in turn, affects purchase decisions and, consequently, sales volumes. The Meat Alternative Business believes that product differentiation and brand loyalty are achieved through its marketing and image-building efforts; and consumer brand preferences are the cumulative result of exposure to the brands over an extended period with a history of more than 40 years in the UK. However, the effects of these sales and marketing activities may be delayed, resulting in delayed revenue growth which may not be fully reflected during the period in which the sales and marketing activities took place.

Prices of Raw Materials and Packaging Materials

Direct materials are major components of the Meat Alternative Business's cost of goods sold. Direct materials comprise raw materials and packaging materials. Raw materials primarily consist of glucose, free-range egg, and other food ingredients. The Meat Alternative Business sources raw materials and all its packaging materials globally with a majority originating from the UK and European Union.

Raw materials are subject to significant price volatility caused by various factors, including changes in global supply and demand, extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, and currency exchange rate fluctuations. In addition, the Meat Alternative Business's ability to obtain raw materials and packaging materials is affected by factors beyond its control, including armed conflict, natural disasters, governmental laws and policies, interruptions in production by suppliers, and the availability of transportation.

The Meat Alternative Business's profitability is dependent on, among other factors, its ability to anticipate and react to fluctuations in the price of commodities, raw materials, and packaging materials. An increase in prices for or shortage of the Meat Alternative Business's raw materials and packaging materials generally leads to an increase in production costs or interruption in the Meat Alternative Business's production schedules, each of which could adversely affect its operating margins. Production delays could lead to reduced sales volumes and profitability as well as the loss of market share. Conversely, favorable movements of raw materials costs and other items might improve the Meat Alternative Business's margins and results of operations. The Meat Alternative Business has been able to mitigate price fluctuations in raw materials to some extent through a combination of (i) operational synergy, (ii) the use of short-term and long-term contracts with suppliers to lock in pricing, and (iii) diversification of sources of supply.

Given that the Meat Alternative Business's key ingredient mycoprotein is produced in-house at its Belasis facility, the Meat Alternative Business enjoys consistent supply, quality, and cost savings from this operational synergy compared to competition relying on external supply of their protein source.

Increases in costs of raw materials and packaging materials can typically be passed on to consumers. However, this may affect consumer demand as the Meat Alternative Business's consumers are generally price sensitive due to the prolonged and severe food inflation in the UK. In some cases, these increases are not immediately passed on, if at all, to consumers to maintain or grow sales volumes and to protect the Meat Alternative Business's market share. As a result, any material increase in the market price of raw materials could adversely affect the Meat Alternative Business's operating margins, which may affect its financial position and operating performance.

Product Mix

The Meat Alternative Business has a diversified product mix which primarily includes the brands *Quorn* and *Cauldron* and their various products in centerplate, ingredients, deli, and snacking. *Quorn* has an extensive range of vegan and vegetarian products. *Quorn* products also cover all key shop aisles: frozen and chilled. While *Cauldron* covers an array of vegan and vegetarian products that use other ingredients than mycoprotein including soy and tofu. With these two brands, the Meat Alternative Business is able to cover the whole range of vegan and vegetarian consumers with different dietary requirements. The ability of the Meat Alternative Business to continuously develop new products and launch product extensions to capture various consumer preferences enables the Meat Alternative Business to successfully make available to its consumers a diverse and innovative product mix.

Typically, different products vary in product pricing, revenue growth rate, and gross profit margin. Each of the Meat Alternative Business's brands has its own unique positioning with different marketing strategies and promotional costs. As a result, the Meat Alternative Business's revenue and profitability are largely affected by its product mix.

Competition

The Meat Alternative Business's products face competition from other domestic producers as well as from imported products and foreign brands. Competitive factors facing the Meat Alternative Business's products include price, product quality, and availability, production efficiency, brand awareness and loyalty, distribution coverage, security of raw material supply, customer service, and the ability to respond effectively to changes in the regulatory environment as well as to shifting consumer tastes and preferences. Due to the strong competitive pressures in the category, and the persistent volume decline various market participants exited the category or closed, especially as start-up funding became hard to come by. During this period, the Meat Alternative Business increased its market share as retailers prioritize shelf space for reliable suppliers with strong consumer reputation.

The Meat Alternative Business competes with a broad category of market participants such as multinational corporates, venture capital-backed newer entrants, and private labels, and also competes with traditional meat brands. Changes in the competitive landscape, including new entrants into the market, consolidation of existing competitors, and other factors, could have a material impact on the Meat Alternative Business's financials and results of operations.

Economic, Social and Political Conditions in the United Kingdom and Other Countries

The majority of the Group's assets and revenue from its Meat Alternative Business are located in or derived from its operations in the UK with all manufacturing facilities located in the UK, as well as the majority of sales originating from the territory. Other selling locations are primarily the US, the European Union, and select Nordic countries. Therefore, economic, social, and political conditions in the UK may also affect the Meat Alternative Business's business, financial condition, results of operations, and prospects. The UK continues to be affected by material levels of inflation, as well as the effects of the exit from the European Union, subdued economic growth and elevated interest rates, and these may impact consumer buying behavior on a prolonged basis, as well as the company's input costs. The political and regulatory environment provides additional uncertainty as policy decisions around energy price support for industry, corporate taxation, and others continue to evolve. This environment may impact the operation of the Meat Alternative Business.

The situation in other key markets is also a possible source of uncertainty as the economic situation in most European Union countries is one of low growth. Consumer segments growth rates are lower than historic averages as households are managing budgets. Economic conditions in the US and other markets have the potential to be significantly affected by current policy volatility and this may translate into further pressure on consumers and impact demand for Meat Alternative products. Changes to international trading arrangements including import tariffs or other restrictions may also affect the Meat Alternative Business' operations.

Seasonality

In the consumer goods industry, results of operations generally follow the seasonality of consumer buying patterns, and the Meat Alternative Business's sales are affected accordingly. Typically, the start of the year commences with a stronger health orientation and the accompanying Veganuary initiatives. While in the summer, barbecue and picnic products are trending in the warmer weather, and frozen products generally retreat. The festive season at the end of the year typically features special SKUs, while the school season (and holidays) introduce seasonality in lunch products. As a result, seasonality could affect the Meat Alternative Business's financial condition and results of operations from one quarter to another. The Meat Alternative Business believes that the diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio.

Innovation

In addition to its ability to introduce new product innovations and renovations, delivering on the Meat Alternative Business's aspiration will also depend on the Meat Alternative Business's ability to continuously drive improvements in its production, supply, and operations processes.

Capacity and Utilization of the Meat Alternative Business's Facilities

The ability of the Meat Alternative Business to meet the demand for its products depends on its ability to build, maintain, and expand its production capacity. Capacity expansion affects the ability of the Meat Alternative Business to introduce new products or new uses for its existing products, which, in turn, impacts the ability of the Meat Alternative Business to be agile and responsive to rapidly changing customer needs and expectations.

Capacity improvement and expansion require significant capital investment. An investment in new technology or an enhancement of existing technology to increase capacity and utilization may result in operational challenges. Furthermore, the effects of these investments may be delayed, resulting in delayed revenue growth.

Item 2. Properties

The Group does not own land in the Philippines. MONDE does not have any principal properties that are subject to a mortgage, lien, or encumbrance. There are no legal restrictions that would preclude Monde Nissin Thailand Co. Ltd. and Monexco International Ltd. from owning land in Thailand by virtue of their foreign ownership. There are no legal restrictions that would preclude Monde Nissin (UK) Limited ("**MNUK**") or Quorn Foods from owning land in the UK by virtue of their foreign ownership.

A summary of the Group's properties that are used in the Group's businesses in the Philippines is set out below:

Type of Property Owned	Owner	Location	Approx. Gross Floor Area (sq.m.)
Building	MONDE	Balibago, Santa Rosa, Laguna	120,000
Building	MMYSC	Carmelray Industrial Park 2, Calamba, Laguna	60,300
Building	MONDE	Light Industry & Science Park 4, Malvar, Batangas	37,200

Type of Property Owned	Owner	Location	Approx. Gross Floor Area (sq.m.)
Building	MONDE	Casuntingan, Mandaue, Cebu	34,200
Building	MONDE	Alviera, Porac, Pampanga	26,000
Building	MMYSC	Sto. Domingo, Cainta, Rizal	24,000
Building	MONDE	Bunawan District, Davao	13,900
Building	MONDE	Carmelray Industrial Park 1, Calamba, Laguna	10,700
Building	MONDE	Brixton, Pasig City	7,700
Building	MONDE	Calaca, Batangas	14,751

A summary of the properties leased and used in the Group's businesses in the Philippines is set out below:

Lessor	Lessee	Location	Approximate Leased Area (sq.m.)	Expiration Date	Renewal	Type of Property
Monde Land Inc.	MONDE	Sta. Rosa, Laguna	80,678	31-Jan-58	Renewable for 25 years	Factory
Infitus Corporation	MONDE	Brixton, Pasig City	2,361	31-Mar-31	N/A	Office
BDO Rental, Inc.	MONDE	Brgy, Dolores and Banaba, Porac, Pampanga	47,091	29-Dec-30	N/A	Factory
Monde Land Inc.	MONDE	Sta. Rosa, Laguna	61,199	20-May-52	Renewable for 25 years	Factory
Monde Land Inc.	MONDE	Sta. Rosa, Laguna	29,279	01-Nov-37	Renewable for 25 years	Factory
Monde Land Inc.	MONDE	Mandaue, Cebu	24,598	31-Jan-58	Renewable for 25 years	Factory
Ayala Land, Inc.	MONDE	Ayala Avenue, Makati City	1,343.21 sq.m. office space, 6 executive parking lots	30-Sep-25	No automatic renewal (Pending renewal)	Office
Monde Land Inc.	MONDE	Brgy. Ilang, Davao City	42,153	01-Jan-37	Renewable for 25 years	Factory
Science Park of the Philippines, Inc.	MONDE	Malvar, Batangas	66,008	22-Jun-95	Automatic renewal of 25 years	Factory
Science Park of the Philippines, Inc.	MONDE	Malvar, Batangas	19,050	22-Jun-95	Automatic renewal of 25 years	Factory
Colorado Shipyard Corp.	MONDE	Mandaue, Cebu	1,605	10-Mar-30	Renewable for 10 years	Warehouse
Philippine Rigid Construction Corp.	MONDE	Mandaue, Cebu	1,605	10-Mar-30	Renewable for 10 years	Warehouse
Monde Rizal Properties, Inc.	MMYSC	Cainta, Rizal	36,977	01-Oct-51	Renewable for 25 years	Factory
Monde Rizal Properties, Inc.	MMYSC	Cainta, Rizal	32,735	01-Jul-52	Renewable for 25 years	Factory
Monde Rizal Properties, Inc.	MMYSC	Calamba, Laguna	66,573	01-Apr-27	Renewable for 10 years	Factory
Juan Miguel V. Yulo Enterprises	Sarimonde Foods Corporation	Carmelray Industrial Park 1, Canlubang, Calamba City, Laguna	33,058	01-Jan-37	No automatic renewal	Factory
N&G Realty and Development Corporation	MONDE	Cagayan de Oro	3,000	31-May-24	No automatic renewal	Warehouse
Atlantic Grains Inc.	MONDE	Calaca, Batangas	11,890	15-Nov-74	Renewable for 25 years	Factory
Tipco Estates Corporation	MMYSC	Mabalacat, Pampanga	132,111	28-Feb-74	Renewable for 25 years	Warehouse

Item 3. Legal Proceedings

The Group is not involved in any litigation, arbitration, or claims (including personal injuries, employee compensation or product liability claims) of material importance, and the Group is not aware of any litigation, arbitration, or claims of material importance pending or threatened against it that would have a material adverse effect on its business, financial condition, or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the annual stockholders' meeting in 2024, there are no other matters submitted to a vote of security holders during the period covered by this report. The matters submitted to security holders' vote are in the minutes of MONDE's 2024 annual stockholders' meeting, a copy of which is available in MONDE's website.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

MONDE's common shares are listed with the PSE.

The high and low prices of MONDE's common shares for each quarter in 2024 are as follows:

	2024	
Quarter	High (in ₱)	Low (in ₱)
1st	10.92	8.08
2nd	11.76	9.35
3rd	10.44	9.00
4th	11.50	7.08

Holders

MONDE's Stock and Transfer Agent, BDO Unibank, Inc. – Trust and Investments Group – Securities Services (Stock Transfer) ("**STA**") reports that there are twenty-four (24) stockholders of record as of December 31, 2024, ranked in terms of number of shareholdings, as follows:

	Name of Stockholder	Number of Shares Held	% of Total Shares Outstanding Held
1	Hartono Kweefanus	4,214,244,600	23.453
2	Betty T. Ang	3,265,920,000	18.176
3	PCD Nominee Corp. (Filipino)	2,617,644,729	14.568
4	Henry Soesanto[1]	1,508,681,396	8.396
5	PCD Nominee Corp. (Non-Filipino)	1,502,910,671	8.364
6	My Crackers, Inc.	1,228,611,496	6.838
7	Hoediono Kweefanus	948,324,600	5.278
8	Anna Roosdiana Darmono	765,897,600	4.262
9	Evelyn Darmono	765,897,600	4.262
10	Monica Darmono	765,897,598	4.262
11	AU Mountain Investments Corporation	381,060,000	2.121
12	Carousel Holdings, Inc.	3,000,000	0.017
13	David John Nicol	234,900	0.001
14	Edwin Lee Lapasaran Lim and/or Ma. Hope C. Lim	200,000	0.001
15	Cristobal S. Hautea	60,000	0.000
16	Donnel Kelvin Tan Ong	20,000	0.000
17	Elvira M. Cruz or Bernardo A. Cruz	5,000	0.000
18	Glenn Maverick Almonte Ang	600	0.000

	Name of Stockholder	Number of Shares Held	% of Total Shares Outstanding Held
19	Ofelia R. Blanco	400	0.000
20	Jennifer T. Ramos	300	0.000
21	Nina Perpetua D. Aguas	2	0.000
22	Kataline Darmono	2	0.000
23	Anabelle L. Chua [2]	1	0.000
24	Ramon Felicisimo M. Lopez [3]	1	0.000
	TOTAL	**17,968,611,496**	**100.000**

[1] Mr. Henry Soesanto owns another 41,046,000 shares through PCD Nominee Corp. which brings his total ownership percentage to 8.625%.
[2] Ms. Anabelle L. Chua owns another 20,000 shares through PCD Nominee Corp.
[3] Mr. Ramon Felicisimo M. Lopez owns another 25,000 shares through PCD Nominee Corp.

Dividend Policy

The Board of Directors (or the "**Board**") is authorized to declare dividends only from MONDE's unrestricted retained earnings, representing the net accumulated earnings of the Company, which have not been appropriated for any managerial, contractual, or legal purpose, and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends is determined pursuant to SEC regulations. The Board may not declare dividends which will impair capital. MONDE may pay dividends in cash, property, or by the issuance of shares of stock, subject to certain requirements. Cash and property dividends are subject to Board approval, while stock dividends, in addition to Board approval, require the approval of (1) stockholders representing at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose, and (2) the SEC (in case stock dividends will be declared out of an increase in authorized capital stock).

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the *Bangko Sentral ng Pilipinas* ("**BSP**").

The Revised Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion projects or programs approved by the corporation's board of directors; (ii) when the corporation is prohibited under any loan agreement with financial institutions or creditors, whether local or foreign, from declaring dividends without their consent, and such consent has not been secured; or (iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

Dividends

The following table sets out cash dividends declared by MONDE in the two most recent years:

Declaration Date	Record Date	Payment Date	Dividend/ share (in ₱)	Total dividend (₱ in millions)
November 29, 2023	December 14, 2023	January 11, 2024	0.12	2,156.23
April 10, 2024	May 10, 2024	June 5, 2024	0.12	2,156.23
November 6, 2024	December 2, 2024	December 27, 2024	0.14	2,515.61
March 26, 2025	April 25, 2025	May 22, 2025	0.15	2,695.29

MONDE maintains an annual dividend payment ratio of 60% of the preceding fiscal year's net income after tax, subject to the requirements of applicable laws and regulations, capital expenditure requirements, compliance with loan covenants, and other circumstances which restrict the payment of dividends. In this connection, while there are certain dividend-related covenants undertaken by the Parent Company in its guarantee of its indirect subsidiary Quorn Foods's certain loan obligations, there are currently no pre-existing, subsisting, or foreseen factual conditions (such as a relevant event of default) that restricts MONDE's ability to declare dividends.

Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

There were no securities sold by MONDE within the past three (3) years that were not registered under the Securities Regulation Code.

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations as of December 31, 2024.

SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The Group's business's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have impacted its results in the past, and which will continue to influence its results in the foreseeable future. Factors other than those discussed below could also significantly impact the Group's business's results of operations and financial condition in the future.

Demand and Pricing

The Group's results of operations are affected by consumers' demand for its products, and pricing, in turn, influences demand. When determining its selling prices, the Group considers various factors, including, among others, prices of raw materials and packaging materials, taxes, fuel prices and other costs of doing business, distribution channels, and general economic conditions. The Group believes that instant noodles, bread, biscuits, and culinary aids are considered consumer staples. These products can be sensitive to movements in disposable incomes, changes in product prices, and competitive pressures. Volume, as well as value, proved generally resilient to the adverse effects of persistently high inflation.

Demand for fast-moving consumer goods is price elastic in general, particularly for consumers in the lower socio-economic classes where disposable income is limited. When prices increase or during periods of relatively weak economic growth where disposable income falls, consumers, particularly those in the lower socio-economic classes, tend to switch to comparable lower-priced staple products and cut back on their consumption of discretionary products.

In addition, demand for fast-moving consumer goods is also influenced by the relative price relationships between such goods, consumer products, and other products and services in general. Consumers are prone to adjust their buying choices according to shifts in the perceived value-for-money propositions of the products. The Group intends to continue to innovate its products to enhance their perceived product value.

Changes in Consumer Tastes and Preferences

The Group's future growth will depend on its ability to maintain the competitive positions of its product portfolios and brands by proactively anticipating and responding to constant changes in consumer tastes and preferences. A key element in maintaining the market share for the Group's product portfolios is the ability to continuously and successfully introduce new products and product extensions to capture prevailing consumer preferences.

Consumer preferences may change due to various factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle and leisure activity patterns, changes in regulations, and actions of competitors, any of which may affect consumers' perception of and willingness to purchase the Group's products. This may then significantly impact the Group's results of operations.

The Group regularly keeps abreast of the evolving consumer preferences and believes that its current broad array of products can address the shifts in trends.

Effectiveness of Sales and Marketing Activities

The effectiveness of the Group's sales and marketing activities is critical to its market share expansion and revenue growth. The Group communicates with consumers through various channels and touchpoints.

Advertising affects consumer awareness of the Group's products and brands, which, in turn, affects purchase decisions and, consequently, sales volumes. The Group believes that product differentiation and brand loyalty are achieved through its marketing and image-building efforts; and consumer brand preferences are the cumulative result of exposure to the brands over an extended period. However, the effects of these sales and marketing activities may be delayed, resulting in delayed revenue growth which may not be fully reflected during the period in which the sales and marketing activities took place.

Prices of Raw Materials and Packaging Materials

Direct materials are major components of the Group's cost of goods sold. Direct materials comprise raw materials and packaging materials. Raw materials primarily consist of wheat/flour, palm oil, sugar, and coconut oil. The Group sources raw materials and all its packaging materials globally.

Raw materials are subject to significant price volatility caused by various factors, including changes in global supply and demand, extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, and currency exchange rate fluctuations. In addition, the Group's ability to obtain raw materials and packaging materials is affected by factors beyond its control, including armed conflict, natural disasters, governmental laws and policies, interruptions in production by suppliers, and the availability of transportation.

The Group's profitability is dependent on, among other factors, its ability to anticipate and react to fluctuations in the price of commodities, raw materials, and packaging materials. An increase in prices for or shortage of the Group's raw materials and packaging materials generally leads to an increase in production costs or interruption in the Group's production schedules, each of which could adversely affect its operating margins. Production delays could lead to reduced sales volumes and profitability as well as the loss of market share. Conversely, favorable movements of raw material costs and other items might improve the Group's margins and results of operations. The Group has been able to mitigate price fluctuations in raw materials to some extent through a combination of (i) operational synergy, (ii) the use of short-term and long-term contracts with suppliers to lock in pricing, and (iii) diversification of sources of supply.

Given that a significant portion of the Group's flour requirement is produced in-house at its Santa Rosa facility, the Group enjoys consistent supply, quality, and cost savings for flour from this operational synergy. This is further enhanced by the Group's affiliate-owned grain import terminal which allows independent procurement of wheat at scale. Operational synergy is also achieved in the supply of seasoning for instant noodles production, as the Group is operating a seasoning plant in Thailand to produce seasoning for its noodle plants in the Philippines.

Increases in costs of raw materials and packaging materials can typically be passed on to consumers. However, this may affect consumer demand as the Group's consumers are generally price sensitive. In some cases, these increases are not immediately passed on, if at all, to consumers to maintain or grow sales volumes and to protect the Group's market share. As a result, any material increase in the market price of raw materials could adversely affect the Group's operating margins, which may affect its financial position and operating performance.

Product Mix

The Group has a diversified product mix which primarily includes instant noodles, biscuits, and other fast-moving consumer products. The Group adopts a multi-brand approach, pursuant to which there are one or more brands or product lines under each product category. Under each brand, the Group offers products with different flavors, different package sizes and/or different types of products to provide varieties. For example, in the instant noodles product group, there are three product lines under the *Lucky Me!* brand: (i) wet pouch; (ii) dry pouch; and (iii) cups. Each *Lucky Me!* product line offers a wide array of flavors. The ability of the Group to continuously develop new products and launch product extensions to capture various consumer preferences enables the Group to successfully make available to its consumers a diverse and innovative product mix.

Typically, different products vary in product pricing, revenue growth rate, and gross profit margin. Each of the Group's brands has its own unique positioning with different marketing strategies and promotional costs. As a result, the Group's revenue and profitability are largely affected by its product mix.

Competition

The Group's products face competition from other domestic producers as well as from imported products and foreign brands. Competitive factors facing the Group's products include price, product quality, and availability, production efficiency, brand awareness and loyalty, distribution coverage, security of raw material supply, customer service, and the ability to respond effectively to changes in the regulatory environment as well as to shifting consumer tastes and preferences.

The Group's main competitors for the instant noodle segment are domestic producers which compete on pricing and imported/multinational brands that offer different flavors and taste experiences. The biscuits and other fast-moving consumer product groups face competition from local and imported/multinational competitors. Similar to the instant noodle segment, these players compete on pricing, taste, and innovation. Changes in the competitive landscape, including new entrants into the market, consolidation of existing competitors, and other factors, could have a material impact on the Group's financials and results of operations.

Economic, Social and Political Conditions in the Philippines and Other Countries

The majority of the Group's assets and revenues are in or derived from its operations in the Philippines. Therefore, the Group's business, financial condition, results of operations, and prospects are substantially influenced by the economic, social, and political conditions in the Philippines, while the Group is also significantly exposed to global commodity markets, mainly those for agricultural goods and energy. The Philippine economy has experienced good Gross Domestic Product ("GDP") growth exceeding that of some of its emerging market peers. The Philippine economy has experienced periods of slow or negative growth, high inflation, high interest rates, high fuel prices, high power rates, high other costs of doing business, and significant depreciation of the Peso. It has been significantly affected by weak economic conditions and volatilities in the global economy and the Asia-Pacific region. In addition, global conflicts such as the Russia-Ukraine war and the various conflicts in the Middle East and their impacts on the global markets will continue to influence the Group materially in areas such as soft-commodity and energy/fuel costs. While commodity costs were generally favorable for the Group in 2024, a high degree of volatility remains in the market reflected for example in significant swings in palm oil towards the end of 2024. While the Group notes that the world market prices have gone down from their peak prices in 2023, a significant downside risk remains in case of escalations around various geo-political conflicts and weather events impacting growing regions. As consumers grapple with uncertainty, their buying behavior and preferences may become more erratic as well.

Sales of most of the products of the Group's Business have been influenced and will continue to be influenced, to some degree, by the general state of the Philippine economy as well as the stability of social and political conditions in the country. The agricultural policy stance may significantly influence the business's results especially around raw materials such as sugar and its related importation quotas, and consumer shifting between food groups as they are avoiding products impacted by high inflation. Rice prices have been driving inflation persistently, and could further drive consumer decisions of having to make choices between food groups. While sales of a portion of the Group's products such as biscuits, beverages, and packaged cakes can be sensitive to changes in income and social conditions, the Group offers products that are considered as staple items or components to staple items which are less sensitive to income changes and adverse economic, social, and political conditions. These include instant noodles, bread, and culinary aids.

The Group also conducts its business in Thailand, including export operations to select territories. As such, economic, social, and political conditions in Thailand may also affect the Group's business, financial condition, results of operations, and prospects. In addition, the economic environment globally may influence the planned expansion strategy of the export business as distributors act more cautiously on new product launches, advertising, and promotional spend. A successful execution of the expansion of the overseas business may provide possible upside to the Group. Global containers shipping in prices, as well as availability may influence growth and profitability of the export business in the upcoming periods.

A significant portion of the Group's assets and revenue from its Meat Alternative Business are also located in or derived from its operations in the United Kingdom (UK). Therefore, economic, social, and political conditions in the UK may also affect the Group's business, financial condition, results of operations, and prospects.

Seasonality

In the consumer goods industry, results of operations generally follow the seasonality of consumer buying patterns, and the Group's sales are affected accordingly. In the Philippines, most food and beverage products, including those of the Group, experience increased sales from October to December related to the Christmas and New Year's season. Consequently, the fourth quarter has historically been the Group's strongest quarter by volume for culinary aids and some of its biscuit products, including *M.Y. San Grahams*. Seasonality during certain events also affects the Group's sales. In addition, seasonality varies across product types. Some of the Group's products have distinct seasonality. For instance, *Lucky Me!* wet pouch instant noodles see an increase in sales in the colder months due to consumers' preference for warm food. Instant noodles and crackers are mainstays of relief goods being distributed in times of calamities. A number of biscuit products experience higher sales during the school year as the APAC BFB's products are generally purchased for lunch boxes, between-meals, on-the-go consumption, and consumption at home. As a result, seasonality could affect the Group's financial condition and results of operations from one quarter to another. To counter the seasonality of some of its products, the Group developed marketing and advertising initiatives that encourage the sustained consumption of its products throughout the year. The Group believes that the diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio.

Innovation

In addition to its ability to introduce new product innovations and renovations, delivering on the Group's aspiration will also depend on the Group's ability to continuously drive loss-eliminating process innovations and work system innovation. Continuous improvement in process innovation and work system redesign will impact multiple fronts such as superior quality and consumer experience, fresher products to market, higher productivity, and improved sustainability via less wastage/use of resources and better process reliability.

Capacity and Utilization of the Group's Facilities

The ability of the Group to meet the demand for its products depends on its ability to build, maintain, and expand its production capacity. Capacity expansion affects the ability of the Group to introduce new products or new uses for its existing products, which, in turn, impacts the ability of the Group to be agile and responsive to rapidly changing customer needs and expectations.

Capacity improvement and expansion require significant capital investment. An investment in new technology or an enhancement of existing technology to increase capacity and utilization may result in operational challenges. Furthermore, the effects of these investments may be delayed, resulting in delayed revenue growth.

FINANCIAL HIGHLIGHTS AND KEY INDICATORS

The summary financial information presented as at December 31, 2024, 2023, 2022 and for the three years ended December 31, 2024, was derived from the Group's audited consolidated financial statements, prepared in accordance with Philippine Accounting Standards. The information below is not necessarily indicative of the results of future operations.

In this report and as defined below, Core Gross Profit, Core Gross Margin, Core EBITDA, Core EBITDA Margin, Core Income Before Tax, Core Income Before Tax Margin, Core Income (After Tax), Core Income (After Tax) Margin, Core Income (After Tax) at Ownership, and Core Income (After Tax) at Ownership Margin are internal management performance measures and are not measures of performance under Philippines Financial Reporting Standards (PFRS) Accounting Standards. Thus, users of this report should not consider foregoing financial non-PFRS measures in isolation or as an alternative to Net Income as an indicator of the Group's operating performance or to cash flow from operating, investing, and financing activities.

Core Gross Profit is measured as Net sales excluding recall provision as sales deduction less Cost of Goods Sold (COGS) excluding non-recurring expenses (NRE). 2024 and 2023 NRE were nil on net sales and COGS. In 2022, COGS NRE pertains to expenses related to global strategic alignment initiatives to ensure products adhere to all food quality compliance standards in relevant jurisdictions. Core Gross Margin pertains to Core Gross Profit divided by segment net sales.

Core EBITDA is measured as net income excluding depreciation and amortization of property and equipment, asset impairments, financing income and expense, net foreign exchange gains (losses), net gains (losses) on derivative financial instruments, fair value gains (losses) on guaranty asset, and other non-recurring income (expenses) NRI(E). In 2024 and 2023, NRE refers to SG&A NRE related to restructuring costs in Meat Alternative business. In 2022, NRE refers to sales deductions, COGS NRE, and SG&A NRE. SG&A NRE pertains to restructuring costs in Meat Alternative. Core EBITDA margin pertains to Core EBITDA divided by segment net sales.

Core Income Before Tax is measured as net income excluding the effects of asset impairment, interest expenses related to lease liabilities, interest income, equity in net earnings (losses) of associates and joint ventures, net foreign exchange gains (losses) except those related to U.S dollar balances that the company hedge against foreign exchange risks, net gains (losses) on derivative financial instruments, fair value gains (losses) on guaranty asset and FVTL, and NRE as discussed above. Core Income Before Tax Margin pertains to Core Income Before Tax divided by segment net sales.

Core Income (After Tax) pertains to Core Income Before Tax less income tax based on recurring income tax rate per entity. Core Income (After Tax) Margin pertains to Core Income (after tax) divided by segment net sales.

Core Income (After Tax) at Ownership pertains to Core Income (After Tax) less core income attributable to non-controlling interest (NCI).

The following discussion should be read in conjunction with the attached Audited Consolidated Financial Statements and related notes of the Group as at and for the twelve months ended December 31, 2024.

I - SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

I.A CORE INCOME AFTER TAX RECONCILIATION

in millions, except percentages

	FY2024 (Audited)	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	FY2023 (Audited)	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	FY2022 (Audited)	% to Net Sales (in %)
Core Net Sales [1]	83,120	100.0	2,950	3.7	80,170	100.0	6,230	8.4	73,940	100.0
Less: **Core Cost of Goods Sold [2]**	54,430	65.5	(1,012)	(1.8)	55,442	69.2	4,650	9.2	50,792	68.7
Gross Profit	28,690	34.5	3,962	16.0	24,728	30.8	1,580	6.8	23,148	31.3
Less: Core Sales, General & Administrative (SGA) [3]	15,683	18.9	1,385	9.7	14,298	17.8	(529)	(3.6)	14,827	20.1
Other Income (Expense)										
Miscellaneous Income [4]	20	–	(10)	(33.3)	30	0.1	30	*n/m*	–	–
Interest expense [5]	(487)	(0.6)	36	(6.9)	(523)	(0.7)	(285)	119.7	(238)	(0.3)
Foreign exchange gain/(loss) - net [6]	199	0.2	248	n/m	(49)	(0.1)	(620)	*n/m*)	571	0.8
	(268)	(0.3)	274	(50.6)	(542)	(0.7)	(875)	*n/m*)	333	0.5
Core Income Before Tax	12,739	15.3	2,851	28.8	9,888	12.3	1,234	14.3	8,654	11.7
Less: Provision for income tax [7]	2,943	3.5	681	30.1	2,262	2.8	199	9.6	2,063	2.8
Core Income (After Tax)	9,796	11.8	2,170	28.5	7,626	9.5	1,035	15.7	6,591	8.9
Less: Non-Controlling Interest	4	–	(6)	(60.0)	10	–	4	66.7	6	–
Core Income (After Tax) at Ownership	9,792	11.8	2,176	28.6	7,616	9.5	1,031	15.7	6,585	8.9

I.B REPORTED INCOME AFTER TAX RECONCILIATION

in millions, except percentages

	FY2024 (Audited)	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	FY2023 (Audited)	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	FY 2022 (Audited)	% to Net Sales (in %)
Core Income (After Tax)	9,796	11.8	2,170	28.5	7,626	9.5	1,035	15.7	6,591	8.9
Other income (expenses)										
Fair Value gain on:										
Guaranty asset	(2,649)	(3.2)	(3,951)	n/m	1,302	1.6	1,302	*n/m*	–	–

Financial assets (FVTPL)	82	0.1	(11)	(11.8)	93	0.1	71	322.7	22	–
Foreign exchange gain (loss) [8]	(174)	(0.2)	(303)	n/m	129	0.2	278	*n/m*	(149)	(0.2)
Impairment (loss)/reversal	(6,796)	(8.1)	6,476	(48.8)	(13,272)	(16.6)	8,102	(37.9)	(21,374)	(28.9)
Miscellaneous income	244	0.3	8	3.4	236	0.3	105	80.2	131	0.2
	(9,293)	(11.2)	2,219	(19.3)	(11,512)	(14.4)	9,858	(46.1)	(21,370)	(28.9)
Finance income (expense)										
Finance Costs [9]	(251)	(0.3)	(93)	58.9	(158)	(0.2)	21	(11.7)	(179)	(0.3)
Finance Income	579	0.7	151	35.3	428	0.6	279	187.2	149	0.2
Derivative gain – net	65	0.1	44	n/m	21	–	(1,285)	*n/m*	1,306	1.8
	393	0.5	102	35.1	291	0.4	(985)	*n/m*	1,276	1.7
Other non-recurring expenses (NREs)										
Restructuring Costs in Meat Alternative	(327)	(0.4)	188	(36.5)	(515)	(0.6)	(263)	*n/m*	(252)	(0.3)
Others [10]	–	–	–	–	–	–	194	*n/m*	(194)	(0.3)
	(327)	(0.4)	188	(36.5)	(515)	(0.6)	(69)	15.5	(446)	(0.6)
Income Tax Provision [11]	(119)	(0.1)	(3,602)	n/m	3,483	4.3	2,549	273	934	1.3
Reported net income (after tax)	**450**	**0.5**	**1,077**	**n/m**	**(627)**	**(0.8)**	**12,388**	**(95.2)**	**(13,015)**	**(17.6)**

Note: See "Other Financial Data – reconciliation of PFRS and non-PFRS measures."

n/m = not meaningful %

[1] *2022 excludes ₱59 million recall provisions in Thailand due to selective EU recall.*

[2] *2022 excludes ₱129 million related to global strategic alignment initiatives.*

[3] *2022 to 2024 excludes Others SG&A NREs and impairment loss*

[4] *Incentives grant by Singapore Government related to MNSPL's meat alternative manufacturing operation.*

[5] *Recurring interest expense on Loans and Trust Receipts Payable*

[6] *Foreign exchange gain on U.S dollars balances for the Group's natural hedge.*

[7] *Based on recurring income tax rate per entity.*

[8] *Excluding foreign exchange gain on USD reserves for the Group's natural hedge (included in the Core Income calculation above)*

[9] *Excluding recurring interest expense on Loans and Trust Receipts Payable (included in the Core Income calculation above)*

[10] *"Others" in other NREs 2022 pertains to ₱129 million related to global strategic alignment initiatives and ₱64 million related to recall provision in Thailand;.*

[11] *2023 mainly due to reduction in deferred tax liabilities (DTL) related to PPE and brand impairment in Meat Alternative; 2022 mainly due to reduction in DTL due to brand impairment in Meat Alternative; From 2022 to 2024 income tax effect of Other Income (expenses) and non-recurring finance income (expenses); To simplify, this is the difference between Total provision for income tax as reported and provision for income tax related to Core Income*

II – OPERATING SEGMENTS OF THE GROUP

As mentioned in the business overview section, the Group's two core businesses are the APAC BFB Business and the Meat Alternative Business.

Segment performance is evaluated based on: Core Earnings before interest, taxes, and depreciation and amortization, or Core EBITDA; Core EBITDA margin; Core Income (after tax) at Ownership and Core Income (after tax) at Ownership margin.

The table below presents certain financial information relating to the Group's results of operation by segment for the periods indicated.

	in millions, except percentages					
	FY 2024 (Audited)	**% to Total (in %)**	**FY 2023 (Audited)**	**% to Total (in %)**	**FY 2022 (Audited)**	**% to Total (in %)**
Core Net Sales						
APAC BFB	69,528	83.6	65,942	82.3	58,550	79.2
Growth vs. prior year	*5.4%*		*12.6%*		*8.4%*	
Meat Alternative	13,592	16.4	14,228	17.7	15,390	20.8
Growth vs. prior year	*-4.5%*		*-7.6%*		*1.0%*	
Total	**83,120**	**100.0**	**80,170**	**100.0**	**73,940**	**100.0**
Growth vs. prior year	***3.7%***		***8.4%***		***6.7%***	
Core Gross Profit		% of Segment Net Sales (in %)		% of Segment Net Sales (in %)		% of Segment Net Sales (in %)
APAC BFB	25,773	37.1	21,715	32.9	18,152	31.0
Meat Alternative	2,917	21.5	3,013	21.2	4,996	32.5
Total	**28,690**	**34.5**	**24,728**	**30.8**	**23,148**	**31.3**
Core Income (after tax) at Ownership						
APAC BFB	10,596	15.2	8,582	13.0	6,857	11.7
Meat Alternative	(804)	(5.9)	(966)	(6.8)	(272)	(1.8)
Total	**9,792**	**11.8**	**7,616**	**9.5**	**6,585**	**8.9**
Core EBITDA (1)						
APAC BFB	16,007	23.0	13,544	20.5	10,568	18.0
Meat Alternative	12	0.1	(4)	(0.0)	618	4.0
Total	**16,019**	**19.3**	**13,540**	**16.9**	**11,186**	**15.1**

Note: (1) See "*Other Financial Data - Core EBITDA Reconciliation*"

RESULTS OF OPERATIONS

For the twelve months ended December 31, 2024, compared to the twelve months ended December 31, 2023.

Core Net Sales

Consolidated net sales up by 3.7% to ₱83,120 million in full year (FY) 2024 due to broad-based growth in different product categories and geographic markets in APAC BFB segment despite continued difficulties in the Meat Alternative segment.

APAC BFB

APAC BFB net sales increased by 5.4% to an all-time high of ₱69,528 million in FY 2024. The domestic business sales growth improved by 5.0% in FY 2024 driven by double-digit volume growth in other categories (beverage, culinary and packaged cakes) and modest single-digit volume growth in biscuits and noodles. Biscuits volume growth was supported by high single-digit growth in the second half of the year due to solid demand in *M.Y San Graham* crackers, successful marketing campaigns and supply improvement in *Skyflakes* crackers and *Nissin Butter Coconut*. Meanwhile, international business grew by 11.4%, on a constant currency basis, in FY 2024 primarily due to strong growth in biscuits and noodles.

Meat Alternative

Net sales in the Meat Alternative segment decreased by 4.5% on a reported basis, decreased by 9.3% on a constant currency basis to ₱13,592 million in FY 2024 because of continued category headwinds. Overall, UK and US sales declined on a constant currency basis by 9.6% and 14.1%, respectively, due to continued challenge in the retail market. Meanwhile, foodservice growth remains positive in the face of economic and market challenges, with net sales up by 7.0% in FY 2024.

Core Cost of Goods Sold

Cost of goods sold decreased by 1.8% to ₱54,430 million in FY 2024 despite volume growth in APAC BFB primarily due to lower commodity costs accross business segments.

APAC BFB

The cost of goods sold in the APAC BFB segment decreased by 1.1% to ₱43,755 million in FY 2024 despite higher volume primarily due to lower average prices of flour, palm oil, and sugar. However, this was partly offset by the sharp increase in the prices of oil-based ingredients in the second half of the year.

Meat Alternative

The cost of goods sold in the Meat Alternative segment decreased by 4.8% to ₱10,675 million in FY 2024 mainly due to volume decline, lower raw material prices, and lower inventory obsolescences due to operational improvements resulting to reduce level of inventories.

Core Gross Profit

Gross profit increased by 16.0% to ₱28,690 million in FY 2024 due to solid improvement in APAC BFB despite softened by the decline in the Meat Alternative segment.

APAC BFB

Gross profit for the APAC BFB segment increased by 18.7% to ₱25,773 million in FY 2024 primarily due to strong volume growth in all categories and lower average price of key ingredients, as discussed above.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 3.2% despite improvement in the raw materials and utility prices primarily due to lower volume.

Core Sales, General and Administrative Expenses (SG&A) (excluding non-recurring expenses)

Sales, general and administrative expenses increased by 9.7% to ₱15,683 million in FY 2024. The higher spending in the APAC BFB segment was partly offset by the lower spending in Meat Alternative.

APAC BFB

SG&A in the APAC BFB segment increased by 15.3%, to ₱12,045 million in FY 2024. The increase was due to marketing reinvestment to support volume growth, salary inflation, and higher general admin expenses.

Meat Alternative

Core SG&A in the Meat Alternative segment decreased by 5.5%, ₱3,638 million in FY 2024. This is mainly driven by disciplined approach on various costs and organizational restructuring in view of continued topline challenges. Moreover, FY 2024 Core SG&A as percentage of sales decreased by 0.3% , to 26.8%.

Core Foreign Exchange (forex) Gains/ Loss

Foreign exchange gain on U.S dollar in FY 2024 was at ₱199 million compared with a forex loss of ₱49 million in FY 2023. FY 2024 gains were due to effective hedge program and strengthening of U.S dollar against the Philippine peso. USD to PhP closing exchange was ₱55.385 in December 31, 2023 and ₱57.979 in December 31, 2024. FY 2024 forex gains on USD hedge was partially offset by forex loss on trust receipts and accounts payable transactions that are being reported under non-core forex gains/loss.

Core Income (After Tax)

Core income (after tax) significantly increased by 28.5% to ₱9,796 million in FY 2024, due to an all-time high result in APAC BFB.

Non-Core Foreign Exchange Gain/Loss

Non-Core foreign exchange (forex) loss in FY 2024 was ₱174 million. Meanwhile, in FY 2023 the Group recognized forex gain of ₱129 million. The forex loss in 2024 were mainly on accounts payable, trust receipts and acceptance payable.

Finance Income

Finance income increased by 35.3% to ₱579 million in FY 2024 mainly from interest income from U.S dollar and peso-denominated market placements/time deposits.

Derivative Gain (Loss)

The Group recorded a derivative gain of ₱65 million in FY 2024 compared to a derivative gain of ₱21 million in FY 2023. This is mainly due to actual interest received from non-deliverable cross-currency swap (CCS) agreement as of December 31, 2024.

Fair value loss on guaranty asset

The Group recorded a loss on fair value on guaranty asset amounting to ₱2,649 million in FY2024. This was primarily driven by adverse changes in the volatility of stock price of similar meat alternative companies, interest rates movements, and lower stock price of MONDE, in relation to Monde Nissin Singapore Pte. Ltd.'s ("**MNSPL's**") recognition of a guaranty asset under the top-up deed between MNSPL and MNSG Holdings Pte. Ltd. ("**MNSG**") as at December 31, 2023.

Impairment Loss (before tax)

The Group recorded an impairment loss (before tax) amounting to ₱6,796 million in FY 2024 compared to ₱13,272 million in FY 2023 as a result of the annual impairment assessment. The impairments were made primarily on its Meat Alternative business following a review of the performance of the business, its future expectations, and overall current economic conditions in MNUK. The additional impairment in 2024 was primarily due to projected lower cash flow and further increase in the weighted average cost of capital. The impairment loss was allocated to the value of property, plant and equipment (PPE) (₱2,953) and brand (₱3,872 million). Meanwhile, in 2023 the additional impairment loss in Meat Alternative was allocated to the value of PPE (₱7,188 million) and brand (₱6,173 million). The goodwill and brand were acquired through business combinations. The brand intangible is under Quorn Foods, which owns the *Quorn* and *Cauldron* brand. *For more information, please see Note 3 of the Audited Consolidated Financial Statements.*

Other Non-Recurring Expenses (NRE)

Other non-recurring expenses decreased by 36.5%, to ₱327 million FY 2024. The NRE in FY 2024 and 2023 pertains to organizational right sizing in Meat Alternative segment in view of continued category challenges.

Income/Loss Before Income Tax

In 2024, income before income tax was at ₱3,512 million, from ₱1,847 million loss in 2023. In 2024, this is mainly due to results of operation for the year partly offset mainly by non-cash, non-operational impairment in Meat Alternative business and fair value loss on guaranty asset. Meanwhile, in 2023 loss before income tax were mainly due to non-cash, non-operational impairment in Meat Alternative business.

Total Income Tax Expense

Total income tax expense increased from negative ₱1,221 million in 2023 to ₱3,062 million. The increase was due to increase in the current income tax expense due to higher taxable income in 2024 for APAC BFB. Meanwhile in 2023, the Group reported a negative deferred income tax amounting to ₱4,022 million primarily due to the reduction in the deferred tax liabilities (₱3,225 million) as a result of brand and PPE value impairment in Meat Alternative segment. In addition, the Group recognized adjustment in the deferred income tax amounting to ₱394 million. This was related to Corporate Interest Restrictions in Quorn Foods and MNUK.

Reported Net Income/Loss (after tax)

As a result of the foregoing, the Group reported net income of ₱450 million in FY 2024 as compared to ₱627 million net loss in FY 2023.

For the year ended December 31, 2023, compared to the year ended December 31, 2022

Core Net Sales

Consolidated net sales increased by 8.4% on a reported basis and 9.2% on a comparable basis to ₱80,170 million in full year (FY) 2023 due to broad-based growth across categories in APAC BFB, offsetting softness in the Meat Alternative.

APAC BFB

APAC BFB net sales increased by 12.6% to ₱65,942 million in FY 2023 driven by solid performance in all geographic markets and categories. The domestic business grew 11.9% in FY 2023 driven by broad-based volume growth across categories led by noodles and supported by carryover price actions from 2022 and the first half (1H) of 2023. Noodles volume have fully recovered from a temporary decline in Q3 2022 and market share in the Philippines reached 67.5%

in Q4 2023. Meanwhile, international business grew by 23.3% on a reported basis and 21.6% at a constant currency basis in FY 2023 primarily due strong growth in biscuits and noodles.

Meat Alternative

Net sales in the Meat Alternative segment decreased by 7.6% on a reported basis, decreased by 7.0% on a comparable and constant currency basis to ₱14,228 million in FY 2023 because of continued macro economic and category headwinds. Overall, UK and US sales declined on a comparable and constant currency basis by 6.8% and 29.4%, respectively, due to continuous challenge in the retail market. Meanwhile, foodservice growth remains positive in the face of economic and market challenges, net sales up by 6.0% in FY 2023 on a comparable basis.

Core Cost of Goods Sold

Cost of goods sold increased by 9.2% to ₱55,442 million in FY 2023, primarily due to higher volume in APAC BFB and higher commodity costs accross business segments.

APAC BFB

The cost of goods sold in the APAC BFB segment increased by 9.5% to ₱44,227 million in FY 2023, primarily due to higher sales volume and elevated prices of sugar and eggs in FY 2023, partly offset primarily by the lower prices of edible oil-based ingredients. However, the segment witnessed a positive impact due to decreased in prices of wheat, palm oil, and other oil-based ingredients, particularly noticeable during second half of 2023, as the average prices were lower than the second half 2022 and the first half of 2023.

Meat Alternative

The cost of goods sold in the Meat Alternative segment increased by 7.9% to ₱11,215 million in FY 2023 despite volume decline primarily due to elevated prices of key ingredients, partly offset by the decline in the average prices of utilities. Notably, while prices remain elevated, actual prices in the second half of 2023 and lock ins for 2024 are significantly lower than average prices in 2022 and the first half of 2023.

Core Gross Profit

Gross profit increased by 6.8% on a reported basis and 9.3% on comparable basis to ₱24,728 million in FY 2023 due to solid improvement in APAC BFB, partly offset by the decline in the Meat Alternative segment.

APAC BFB

Gross profit for the APAC BFB segment increased by 19.6% to ₱21,715 million in FY 2023 primarily due to strong volume growth accross categories supported by carry-over selling price increases at the backdrop of declining commodity prices in the second half of 2023.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 39.7% on a reported basis as FY 2022 includes certain payments to customers that were reported as part of selling expenses in 2022 and Q1 to Q3 2023 which were reclassified to sales deduction in Q4 2023. Based on comparable FY 2022, FY 2023 decreased by 32.6% to ₱3,013 million due to volume decline and effect of hyperinflationary environment on input costs.

Core Sales, General and Administrative Expenses (SG&A) (excluding non-recurring expenses)

Sales, general and administrative expenses decreased by 3.6% on a reported basis and at par with FY 2022 on a comparable basis to ₱14,298 million in FY 2023. The higher spending in the APAC BFB segment to support volume growth was partly offset by the lower spending in Meat Alternative.

APAC BFB

SG&A in the APAC BFB segment increased by 7.8%, to ₱10,448 million in FY 2023. The increase was due to higher marketing, selling, transport, and other administrative expenses primarily to support growth and inflation. FY 2023 SG&A as percentage of sales slightly decreased by 0.7% against FY 2022, to 15.8% in FY 2023.

Meat Alternative

SG&A in the Meat Alternative segment decreased by 25% on a reported basis as FY 2022 includes certain payments to customers that were reported as part of marketing expenses in 2022 and Q1 to Q3 2023 which were reclassified to contra-revenue in Q4 2023. Based on a comparable FY 2022, FY 2023 decreased by 16.4% to ₱3,850 million, reflecting the benefits of cost control measures and restructuring in view of continued topline challenges. These resulted to lower spending on advertising and promotions, salaries and wages, and other operating expenses. Moreover, FY 2023 SG&A as percentage of sales decreased by 3.9% on comparable basis, to 27.1%.

Core Foreign Exchange (forex) Gains/ Loss

Foreign exchange loss on U.S dollar in FY 2023 was at ₱49 million compared with forex gains of ₱571 million in FY 2022. FY 2023 forex loss on USD hedge has offset from forex gains on trust receipts, accounts payable transactions, and others that are being reported under non-core forex gain. FY 2022 gains were due to effective hedge program amidst unprecedented strengthening of U.S dollar against the Philippine peso. USD to PhP closing exchange was ₱51.00 on December 31, 2021, ₱55.755 on December 31, 2022, and ₱55.385 on December 31, 2023.

Core Income (After Tax)

Core income (after tax) significantly increased by 15.7% to ₱7,626 million in FY 2023, due to an all-time high result in APAC BFB.

Non-Core Foreign Exchange Gain/Loss

Non-Core foreign exchange (forex) gains in FY 2023 was ₱130 million. The gains were mainly on accounts payable, trust receipts and acceptance payable. Meanwhile, in FY 2022 the Group recognized forex loss of ₱149 million.

Finance Income

Finance income increased by 187.2% to ₱428 million in FY 2023 mainly from U.S dollar and peso-denominated market placements/time deposits.

Derivative Gain (Loss)

The Group recorded a derivative gain of ₱21 million in FY 2023 compared to a derivative gain of ₱1,306 million in FY 2022. FY 2022 derivative gains pertain to unwinding of non-deliverable CCS agreement entered last March 4, 2022, with the notional amount of ₱5,839.5 (£85.0) million. The CCS was used to hedge the Parent Company's exposure to the GBP foreign exchange risk on its investment in MNSPL and was designated as net investment hedge.

Fair value gain on guaranty asset

The Group recorded a gain on fair value on guaranty asset amounting to ₱1,302 million in FY2023. This was related to the Top-Up Deed between MNSPL and MNSG. Under the Top-Up Deed, MNSG agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MONDE or 12.0% of the current outstanding capital stock of MONDE for as long as MONDE is still the ultimate controlling shareholder of MNSPL's wholly owned subsidiary, MNUK. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUK starting from the calendar year ended December 31, 2023, and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed as at December 31, 2023.

Impairment Loss (before tax)

The Group recorded an impairment loss (before tax) amounting to ₱13,272 million in FY 2023 compared to ₱21,374 million in FY 2022 as a result of the annual impairment assessment. The impairments were made primarily on its Meat Alternative business following a review of the performance of the business, its future expectations, and overall current economic conditions in MNUK. In 2023, the additional impairment loss in Meat Alternative was allocated to the value of property, plant and equipment (PPE) (₱7,188 million) and brand (₱6,173 million). Meanwhile, in 2022, the impairment loss on Meat Alternative business was allocated to the value of goodwill (₱16,501 million), brand (₱4,043 million), and PPE (₱620 million). The goodwill and brand were acquired through business combinations. The brand intangible is under Quorn Foods, which owns the *Quorn* and *Cauldron* brand. Post acquisition, from 2015 to 2019, MNUK achieved Net Sales CAGR growth of around 9.8% (in GBP), a significant improvement from previous owners. Moreover, Meat Alternative segment consistently recorded a solid EBITDA between ₱1,899 million to ₱2,283 million from 2017 to 2020. However, unprecented macro headwinds and category headwinds, have put pressure on the top line and bottom line of Meat Alternative segment. MNUK's 2019 to 2023 Net Sales CAGR growth declined by negative 2% while Core EBITDA deteriorated to ₱1,471 million in FY 2021, ₱618 million in FY 2022, and neutral in FY2023 despite benefits from restructuring. In 2023, further deterioration in cash projection, discount rates, and projected capacity requirements resulted to additional impairment loss. *For more information, please see Note 3 of the Audited Consolidated Financial Statements.*

Other Non-Recurring Expenses (NRE)

Other non-recurring expenses increased by 15.5%, to ₱515 million FY 2023. The NRE in FY 2023 pertains to restructuring costs in Meat Alternative segment. Meanwhile, FY 2022 NREs pertain to first tranche of restructuring costs (₱252 million) in the Meat Alternative, expenses related to global strategic alignment initiatives (₱129 million), and provision in Thailand due to selective EU recall (₱64 million).

Losses Before Income Tax

In 2023, loss before income tax was at ₱1,847 million, from ₱11,886 million loss in 2022. As discussed in the foregoing, 2022 and 2023 losses were mainly due to non-cash, non-operational impairment in Meat Alternative business.

Total Income Tax Expense

Total income tax expense decreased from ₱1,129 million in 2022 to negative ₱1,221 million in 2023. The decrease was due to year on year movement in the deferred income tax expense which offset the increase in the current income tax expense due to higher taxable income in 2023. In 2023, the Group reported a negative deferred income tax amounting to ₱4,022 million primarily due to the reduction in the deferred tax liabilities (₱3,225 million) as a result of brand and PPE value impairment in Meat Alternative segment. In addition, the Group recognized adjustment in the deferred income tax amounting to ₱394 million. This was related to Corporate Interest Restrictions in Quorn Foods and MNUK. Meanwhile in 2022, the Group reported a negative deferred income tax amounting to ₱1,300 million primarily due to reduction in deferred tax liabilities as a result of the brand impairment, as discussed in the foregoing.

Reported Net Loss (after tax)

As a result of the foregoing, the Group reported net loss of ₱627 million in FY 2023 as compared to ₱13,015 million net loss in FY 2022.

For the year ended December 31, 2022, compared to the year ended December 31, 2021

Core Net Sales

Net sales grew by 6.7%, to ₱73,940 million in 2022 driven by price increases in all categories to mitigate higher commodity prices. 2022 overall volume sales were resilient despite temporary decline of noodles in Q3 due to strong growth of biscuits and other categories.

APAC BFB

Net sales in the APAC BFB segment increased by 8.4%, to ₱58,550 million in 2022. The increase was driven by 9.3% growth in the domestic business due to responsible price increases in all categories, robust volume growth in biscuits, beverages, packaged cakes, and culinary that surpassed pre-pandemic levels. Overall volume growth was softened by noodles' temporary decline in Q3 due to selective EU recall, which attracted media attention in the Philippines. However, noodles' full-year volume decline was tapered by the strong recovery in Q4 as sales volumes were up by 26.8% versus Q3 2022 and 10% versus Q4 2019. Biscuits, beverages, and packaged cakes volume growth was driven by increased mobility and resumption of face-to-face classes leading to more consumption occasions for these categories. Culinary growth was driven by the solid growth of *Mama Sita's* Oyster Sauce. Meanwhile, international business was down by 4.1% due to noodles decline as measures were implemented to strengthen regulatory compliance in all relevant jurisdictions.

Meat Alternative

Net sales in the Meat Alternative segment increased by 1.0%, to ₱15,390 million in 2022. Excluding the forex effect, overall net sales grew by 0.8% in 2022 due to price increases supported by solid volume growth in food service. While retail sales remained a challenge in 2022, *Quorn* has performed well against a competitor in the UK retail market, as evidenced by continued market share gain throughout 2022. Meanwhile, the food service business continued strong momentum across geographic markets, posting an overall growth of 51.5% for the year.

Core Cost of Goods Sold (COGS)

Cost of goods sold increased by 16.2%, to ₱50,792 million in 2022, primarily due to elevated commodity and energy prices.

APAC BFB

The cost of goods sold in the APAC BFB segment increased by 17.2%, to ₱40,398 million in 2022, primarily due to record commodity prices and partly due to delayed depletion of wheat and palm-oil that were secured earlier in the year to mitigate price and supply volatility risks. The effect on cost of tapered prices for wheat and palm-oil was delayed to 2023 due to temporary decline of noodles in Q3. Morever, the full year average actual prices of other key ingredients such as coconut oil, shortening liquid, and sugar have increased significantly in 2022 as compared last year.

Meat Alternative

The cost of goods sold in the Meat Alternative segment increased by 12.8%, to ₱10,394 million in 2022 despite volume decline, primarily due to higher commodity, energy prices and overhead costs.

Core Gross Profit

Gross profit decreased by 9.5%, to ₱23,148 million in 2022, primarily due to the effect of inflation partially mitigated by price increases.

APAC BFB

Gross profit for the APAC BFB segment decreased by 7.2%, to ₱18,152 million in 2022 due to commodity cost inflation, partially mitigated by price increases.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 17.1%, to ₱4,996 million in 2022 due to sales volume decline and cost inflation partly mitigated by price increases.

Core Sales, General and Administrative Expenses

Sales, general and administrative expenses (excluding non-recurring expenses and impairment loss) decreased by 1.8%, to ₱14,827 million in 2022 due to lower advertising and promotional expenses partly offset by higher logistic costs and investment in organization resources.

APAC BFB

Sales, general and administrative expenses in the APAC BFB segment decreased by 2.0%, to ₱9,694 million in 2022 due to lower advertising and promo partly offset by increased logistic costs due to volume increases and inflation.

Meat Alternative

Sales, general, and administrative (SG&A) expenses in the Meat Alternative segment decreased by 1.2% to ₱5,133 million in 2022. The decrease was due to the rationalization of R&D, advertising, and promotional activities, partly offset by strengthening R&D and administrative capabilities and one-time cost of living payments to all staff due to inflation.

Core Foreign Exchange Gains

Foreign exchange gains increased by 117.9%, to ₱571 million in 2022 due to the effective U.S dollar hedge program and the strengthening of U.S dollar against the Philippine peso.

Core Income (Before Tax)

Core income (after tax) declined by 19.0%, to ₱8,654 million in 2022, for the reasons discussed above.

Core Income (After Tax) at Ownership

Core Income (after tax) at Ownership declined by 19.5%, to ₱6,585 million in 2022. Core Income attributable to non-controlling interest was significantly down by 95.4%, from ₱130 million to ₱6 million, due to acquisition by the Parent Company on January 29, 2021, of the minority shares of MMYSC owned by MY Cracker Inc. (MCI).

Miscellaneous Income

Miscellaneous income decreased by ₱49.6%, to ₱143 million in 2022 as last year includes reversal of allowance for expected credit loss and impairment on advances due to effective collection efforts.

Non-Core Finance Costs

Interest expense significantly decreased from ₱1,488 million in 2021 to ₱178 million in 2022 mainly due to redemption of Arran's convertible notes and settlement of bank loans. 2021 includes ₱747 million related to interest accretion on Arran's convertible notes and interest on bank loans of MONDE.

Derivative Gain (Loss)

The Group recorded derivative gains of ₱1,307 million in 2022 compared to a derivative loss of ₱2,258 million in 2021. 2022 derivative gains pertain to unwinding of non-deliverable cross-currency swap (CCS) agreement entered last March 4, 2022, with the notional amount of ₱5,839.5 million (£85.0 million). Under the CCS agreement, the Group will receive Philippine Peso interest at 9% p.a. and will pay fixed Pound Sterling interest at 6% p.a. The Group will also pay the notional Pound Sterling amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS was used to hedge the Parent Company's exposure to the GBP foreign exchange risk on its investment in MNSPL and was designated as net investment hedge. On September 28, 2022, the Board of Directores approved to fully unwind the CCS agreement to take advantage of the weakening of Pound Sterling. Meanwhile, the derivative loss in 2021 was primarily due to the full settlement of Arran's convertible note last June 3, 2021. *For more information, please see Note 26 to the Audited Consolidated Financial Statements.*

Loss on Convertible Note Redemption

The Group recognized additional ₱1,579 million losses in 2021 on top of the derivative loss due to the full settlement of Arran's convertible note last June 3, 2021.

The derivative loss and loss on convertible note redemption are due to the difference between the face value of the note before redemption and the Group paid upon redemption.

Impairment Loss (before tax)

The Group recorded an impairment loss amounting to ₱21,374 million in 2022 as a result of the annual impairment assessment. The impairment loss in 2022 was primarily on intangible assets (₱20,547 million) and property, plant and equipment (PPE) (₱826 million). The intangibles impairment was a non-cash and non-operating and was caused by the application of a higher discount rate due to the prevailing higher interest rates and risks premiums, some margin compression, and rationalization of the demand trends in the meat alternative category. The impairment loss was applied on the value of goodwill (₱16,501 million) and brand (₱4,043 million) under Quorn Foods, which owns the *Quorn* and *Cauldron* brand. The goodwill and brand were acquired through business combinations. Meanwhile, the PPE impairments of ₱620 million and ₱206 million were recognized in the Meat Alternative and APAC BFB segment, respectively. The impairment on Meat Alternative segment was largely on Quorn fermenter assets due to production cost rationalization in UK, while in APAC BFB, the PPE impairment was primarily due to discontinued product line in MONDE. *For more information, please see Note 3 the Audited Consolidated Financial Statements.*

Income Before Income Tax

In 2022 losses before income tax was at ₱11,886 million, from ₱4,825 million income in 2021. As discussed in the foregoing, 2022 losses was mainly due to non-cash, non-operational impairment in Meat Alternative business. Meanwhile, 2021 income was tapered by non-recurring losses related to redemption of Arran's convertible notes and IPO-related expenses.

Total Income Tax Expense

Total Income tax expense decreased by 28.5%, to ₱1,129 million in 2022. The decrease was due to year on year movement in the deferred income tax expense which offset the increase in the current income tax expense due to higher taxable income in 2022. In 2022, the Group reported a negative deferred income tax amounting to ₱1,300 million primarily due to reduction in deferred tax liabilities as a result of ₱4,043 million (£60.0 million) impairment on *Quorn* and *Cauldron* brand. Meanwhile in 2021, the Group recognized a deferred tax expense of ₱1,187 million as the UK government announced the increase in the tax rate from 19% to 25% in April 2023. In accordance with PAS 12.46, *Income Taxes*, current tax liabilities are measured at the amount expected to be paid to taxation authorities, using the rates/laws that have been enacted or substantially enacted as of balance sheet date. The adjustment on deferred tax liabilities pertain to items such as the brand value of Quorn and Cauldron.

Reported Net Income or Loss (after tax)

As a result of the foregoing, the Group recognized a net loss of ₱13,015 million in 2022 from net income of ₱3,245 million in 2021.

STATEMENT OF FINANCIAL POSITION

Financial condition as at December 31, 2023, compared to as at December 31, 2024.

Current Assets

The Group's current assets decreased by 6.0%, from ₱36,090 million as at December 31, 2023 to ₱33,927 million as at December 31, 2024 primarily due to payments of dividends, loans, and capital expenditures (CapEx).

	December 31, 2024		December 31, 2023		Increase/Decrease	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
	in millions, except percentages					
Cash and cash equivalents	14,158	42	16,679	46	(2,521)	(15.1)
Trade and other receivables	7,710	23	6,410	18	1,300	20.3
Inventories	8,921	26	9,187	25	(266)	(2.9)
Prepayments and other current assets	1,326	4	1,100	3	226	20.5
Current financial assets	1,812	5	2,714	8	(902)	(33.2)
Total Current Assets	**33,927**	**100**	**36,090**	**100**	**(2,163)**	**(6.0)**

Cash and cash equivalents decreased by 15.1%, from to ₱16,679 million as at December 31, 2023 to ₱14,158 million as at December 31, 2024 due to payment of dividends, MNUK's loan, and Group capital expenditures.

Trade and other receivable increased by 20.3% as at December 31, 2024 to ₱7,710 due to higher sales in Q4 2024.

Prepayments and other current assets increased by 20.5%, from ₱1,100 million as at December 31, 2023 to ₱1,326 million as at December 31, 2024 mainly due to downpayment for wheat purchases and downpayment for supply agreement for agricultural products in relation to the Group's new product "GoodNom".

Current financials assets decreased by 33.2% as at December 31, 2024 to ₱1,812 million mainly due to disposals of financial assets at FVTPL (net of additional investments in FY 2024).

Noncurrent Assets

The Group's noncurrent assets decreased by 8.0%, from ₱48,005 million as at December 31, 2023 to ₱44,159 million as at December 31, 2024 due additional impairment losses in meat alternative segment and lower guaranty asset.

	December 31, 2024		December 31, 2023		Increase/Decrease	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
	in millions, except percentages					
Noncurrent receivables	1,320	3	–	–	1,320	n/m
Guaranty asset	8,129	18	10,432	22	(2,303)	(22.1)
Financial assets at FVOCI – Noncurrent	814	2	601	1	213	35.4
Investments in associates and joint ventures	1,134	3	1,125	2	9	0.8
Property, plant and equipment	25,507	58	25,155	52	352	1.4
Intangible assets	5,456	12	8,813	19	(3,357)	(38.1)
Deferred tax assets – net	1,008	2	937	2	71	7.6
Other noncurrent assets	791	2	942	2	(151)	(16.0)
Total Noncurrent Assets	**44,159**	**100**	**48,005**	**100**	**(3,846)**	**(8.0)**

Noncurrent receivables mainly pertains to an interest-bearing loan extended by KBT to third parties amounting to ₱1,145 million.

Guaranty asset decreased to ₱8,129 million as at December 31, 2024, from ₱10,432 as at December 31, 2023 primarily driven by adverse impact of changes in stock price volatility of benchmarked companies, higher interest rate expense and lower stock price of MONDE.

	As at December 31, 2024, in millions
Guaranty asset:	
Beginning Balance	₱10,432
Fair value loss on guaranty asset	(2,649)
Cumulative translation adjustment	346
	₱8,129

Financial assets at FVOCI pertains to subscription to 820,268,295 common shares out of the unissued authorized capital stock of FCG amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million. Figaro is a quoted securities, as at December 31, 2024, the fair value of FCG was based on quoted prices while the fair value of Terramino, Inc. approximates its transaction price. The increase was due to quoted price of FCG from December 31, 2023, to December 31, 2024.

Property, plant and equipment increased by 1.4% from ₱25,155 million as at December 31,2023 to ₱25,507 million as at December 31, 2024. The increase from continued investments in improving capability, capacity and efficiency of the Group amounting to ₱4,823 million was partly offset by impairment in Meat Alternative amounting to ₱2,953 million. APAC BFB's major investment was on the construction of new manufacturing facility in Davao, purchase of various machineries, and new lease agreement between MMYSC and TIPCO Estates Corporation for the lease of certain industrial lots inside the TECO Industrial Park located in Mabalacat, Pampanga.

Intangible assets decreased by 38.1% from ₱8,813 million as at December 31,2023 to ₱5,456 million as at December 31, 2024 mainly due to the additional impairment on brand value under Quorn Foods, which owns *Quorn* and *Cauldron*. For more information, please refer to the foregoing discussion of impairment loss for the period ended December 31, 2024.

Deferred tax assets increased by 7.6% from ₱937 million as at December 31,2023 to ₱1,008 million as at December 31, 2024 mainly due to set-up of temporary differences from tax computation from the Parent Company.

Current Liabilities

The Group's current liabilities deccreased by 12.4%, from ₱17,735 million as at December 31, 2023 to ₱15,537 million as at December 31, 2024 mainly due to payment of dividends.

	December 31, 2024		December 31, 2023		Increase/Decrease)	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
	in millions, except percentages					
Accounts payable and other current liabilities	12,550	81	11,684	66	866	7.4
Acceptances and trust receipts payable	1,608	10	1,608	9	–	–
Refund liabilities	379	2	407	2	(28)	(6.9)
Current portion of loans payable	364	2	1,200	7	(836)	(69.7)
Current portion of lease liabilities	78	1	89	1	(11)	(12.4)
Dividends Payable	–	–	2,156	12	(2,156)	(100.0)
Income tax payable	558	4	591	3	(33)	(5.6)
Total	**15,537**	**100**	**17,735**	**100**	**(2,198)**	**(12.4)**

Accounts payable and other current liabilities increased by 7.4%, from ₱11,684 million as at December 31, 2023 to ₱12,550 million as at December 31, 2024 mainly due to increase in trade payables attributable to higher purchases and higher final income tax payable related to dividends declared.

Refund liabilities decreased by 6.9%, from ₱407 million as at December 31, 2023 to ₱379 million as at December 31, 2024. The provision was consistent with PFRS 15.

Current portion of loans payable decreased by 69.7%, from ₱1,200 million as at December 31, 2023 to ₱364 million as at December 31, 2024 mainly due to partial settlement of Quorn Foods's loan.

Current portion of lease liabilities decreased by 12.4%, from ₱89 million as at December 31, 2023 to ₱78 million as at December 31, 2024 due to reclassification of portion of MNUK's lease liabilities from current to noncurrent.

Dividends Payable as at December 31, 2023, at ₱2,156 million and nil as at December 31, 2024. The BOD approved the declaration cash dividends of ₱0.12 per share for stockholders of record date of November 29, 2023, which was paid last January 11, 2024.

Income tax payable deccreased by 5.6%, from ₱591 million as at December 31, 2023 to ₱558 million as at December 31, 2024 mainly due to decrease income tax payable of MONDE and MMYSC.

Noncurrent Liabilities

The Group's noncurrent liabilities decreased by 10.8%, from ₱7,862 million as at December 31, 2023 to ₱7,011 million as at December 31, 2024.

	December 31, 2024		December 31, 2023		Increase/Decrease	
	Audited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
			in millions, except percentages			
Loans payable	2,842	41	3,734	47	(892)	(23.9)
Lease liabilities	2,522	36	2,594	33	(72)	(2.8)
Pension liability	1,285	18	1,007	13	278	27.6
Derivative liability	289	4	106	1	183	172.6
Deferred tax liabilities – net	32	–	382	5	(350)	(91.6)
Other noncurrent liabilities	41	1	39	1	2	5.1
Total	7,011	100	7,862	100	(851)	(10.8)

Loans payable decreased by 23.9%, from ₱3,734 million as at December 31, 2023 to ₱2,842 million as at December 31, 2024 due to partial settlement of Quorn Foods's sterling term loan.

Pension liabilites increased by 27.6%, from ₱1,007 million as at December 31, 2023 to ₱1,285 million as at December 31, 2024 due to changes in the discount and salary increase rate assumptions.

Derivative liability increased by 172.6% from ₱106 million as at December 2023 to ₱289 million as at December 31, 2024 mainly due to mark to market adjustment for THB cross currency swap.

Deferred tax liabilities-net decreased by 91.6%, from ₱382 million as at December 31, 2023 to ₱32 million as at December 31, 2024 primarily due to application against deferred tax asset by MNUK due to the increase in tax losses and other deferred tax assets.

Equity

The Group's total equity decreased by 5.1% from ₱58,498 million as at December 31, 2023 to ₱55,538 million as at December 31, 2024 due to recognition of the results of operations for FY 2024 net of higher dividends declared during the year.

Financial condition as at December 31, 2022, compared to as at December 31, 2023.

Current Assets

The Group's current assets increased by 11.6%, from ₱32,333 million as at December 31, 2022 to ₱36,090 million as at December 31, 2023.

	December 31, 2023		December 31, 2022		Increase/Decrease	
	Audited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
			in millions, except percentages			
Cash and cash equivalents	16,679	46	11,629	36	5,050	43.4
Trade and other receivables	6,410	18	6,800	21	(390)	(5.7)
Inventories	9,187	25	10,879	34	(1,692)	(15.6)
Current financial assets	2,714	8	1,756	5	958	54.5
Prepayments and other current assets	1,100	3	1,269	4	(169)	(13.3)
Total Current Assets	36,090	100	32,333	100	3,757	11.6

Cash and cash equivalents increased by 43.4%, from to ₱11,629 million as at December 31, 2022 to ₱16,679 million as at December 31, 2023 due to higher cash inflow from operating activities of APAC BFB, decreased working capital requirements primarily due to declining commodity prices and lower stocks level. Total cash inflow partly reduced by outflow related to CapEX, investment related to Financial Assets at FVOCI, and partial payment of Quorn Foods's sterling term loan.

Inventories decreased by 15.6%, from to ₱10,879 million as at December 31, 2022 to ₱9,187 million as at December 31, 2023 due to declining commodity prices and lower stocks level in both business segments.

Current financials assets increased by 54.5%, from to ₱1,756 million as at December 31, 2022 to ₱2,714 million as at December 31,2023 due to reclassification of loans receivables that has maturity date of less than twelve months. Loans receivable that will mature are MNSPL's receivable to MNSG amounting to ₱162.3 million which has maturity date of July 3, 2024 and Parent Company's receivable to SSCC, amounting to ₱500.0 million that has date of August 4, 2024 as of December 31, 2023.

Prepayments and other current assets decreased by 13.3%, from ₱1,269 million as at December 31, 2022 to ₱1,100 million as at December 31, 2023 mainly due to usage of prepaid taxes and input VAT in MNUK.

Noncurrent Assets

The Group's noncurrent assets decreased by 2.0%, from ₱48,960 million as at December 31, 2022 to ₱48,005 million as at December 31, 2023 due additional impairment losses in meat alternative segment offset by the recognition of guaranty asset.

	December 31, 2023		December 31, 2022		Increase/Decrease	
	Audited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in millions, except percentages					
Property, plant and equipment	25,155	52	30,864	63	(5,709)	(18.5)
Guaranty asset	10,432	22	–	–	10,432	*n/m*
Intangible assets	8,813	19	14,483	30	(5,670)	(39.1)
Investments in associates and joint ventures	1,125	2	1,104	2	21	1.9
Deferred tax assets – net	937	2	868	2	69	7.9
Financial assets at FVOCI – Noncurrent	601	1	–	–	601	*n/m*
Noncurrent receivables	–	–	662	1	(662)	(100.0)
Other noncurrent assets	942	2	979	2	(37)	(3.8)
Total Noncurrent Assets	48,005	100	48,960	100	(955)	(2.0)

Property, plant and equipment decreased by 18.5% from ₱30,864 million as at December 31,2022 to ₱25,155 million as at December 31, 2023 mainly due impairment in Meat Alternative amounting to ₱7,188 million which offset additional capital expenditure in 2023 amounting to ₱3,641 million. For more information on the PPE impairment, please refer to the foregoing discussion of impairment loss for the period ended December 31, 2023.

Guaranty asset increased to ₱10,432 million as at December 31, 2023, from nil as at December 31, 2022. During the financial year ended December 31, 2023, MNSPL entered into the Top-Up Deed with MNSG, a Singaporean Company owned by a majority of the ultimate beneficial owners of MNSPL. Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MONDE or 12.0% of the current outstanding capital stock of MONDE for as long as MONDE is still the ultimate controlling shareholder of MNSPL's wholly owned subsidiary, MNUK. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUK starting from the calendar year ended December 31, 2023 and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed and engaged an independent valuation expert to determine the fair value of the guaranty asset at inception and as at December 31, 2023. Subsequent changes in fair value of the guaranty asset recognized in profit or loss.

	As at December 31, 2023, in millions
Guaranty asset:	
Initial recognition	₱9,104
Fair value gain on guaranty asset	1,302
Cumulative translation adjustment	26
	₱10,432

Intangible assets decreased by 39.1% from ₱14,483 million as at December 31,2022 to ₱8,813 million as at December 31, 2023 mainly due to the additional impairment on brand value under Quorn Foods, which owns *Quorn* and

Cauldron. For more information, please refer to the foregoing discussion of impairment loss for the period ended December 31, 2023.

Deferred tax assets increased by 7.9% from ₱868 million as at December 31,2022 to ₱937 million as at December 31, 2023 mainly due to higher pension and refund liabilities.

The noncurrent financial assets at FVOCI pertain to subscription to 820,268,295 common shares out of the unissued authorized capital stock of FCG amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million. As at December 31, 2023, the fair value of FCG was based on quoted prices. The fair value of Terramino Inc. approximates its last transaction price.

The noncurrent receivables decreased by 100% from ₱662 million as at December 31, 2022 to nil as at December 31, 2023 due to reclassification to current receivables, as discussed in the foregoing.

Current Liabilities

The Group's current liabilities increased by 20.2%, from ₱14,752 million as at December 31, 2022 to ₱17,735 million as at December 31, 2023.

	December 31, 2023		December 31, 2022		Increase/Decrease)	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
	in millions, except percentages					
Accounts payable and other current liabilities	11,684	66	11,323	77	361	3.2
Dividends Payable	2,156	12	–	–	2,156	*n/m*
Acceptances and trust receipts payable	1,608	9	2,362	16	(754)	(31.9)
Current portion of loans payable	1,200	7	270	2	930	344.4
Refund liabilities	407	2	201	1	206	102.5
Current portion of lease liabilities	89	1	386	3	(297)	(76.9)
Income tax payable	591	3	210	1	381	181.4
Total	**17,735**	**100**	**14,752**	**100**	**2,983**	**20.2**

Dividends Payable as at December 31, 2023, at ₱2,156 million from nil as at December 31, 2022. The BOD approved the declaration cash dividends of ₱0.12 per share for stockholders of record date of November 29, 2023, which was paid last January 11, 2024.

Acceptances and trust receipts payable decreased by 31.9%, from ₱2,362 million as at December 31, 2022 to ₱1,608 million as at December 31, 2023 due to retirement of some trust receipts payable to save on interest expenses and in consideration of higher cash availability.

Current portion of loans payable increased by 344.4%, from ₱270 million as at December 31, 2022 to ₱1,200 million as at December 31, 2023 mainly due to Quorn Foods's availment of revolving /short-term credit loans.

Refund liabilities increased by 102.5%, from ₱201 million as at December 31, 2022 to ₱407 million as at December 31, 2023. The provision was consistent with PFRS 15.

Current portion of lease liabilities decreased by 76.9%, from ₱386 million as at December 31, 2022 to ₱89 million as at December 31, 2023 due to reclassification of portion of MNUKL's lease liabilities from current to noncurrent.

Income tax payable increased by 181.4%, from ₱210 million as at December 31, 2022 to ₱591 million as at December 31, 2023 mainly due to income tax payable of MONDE and MMYSC.

Noncurrent Liabilities

The Group's noncurrent liabilities decreased by 44.9%, from ₱14,270 million as at December 31, 2022 to ₱7,862 million as at December 31, 2023.

	December 31, 2023		December 31, 2022		Increase/Decrease	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
			in millions, except percentages			
Loans payable	3,734	47	6,983	49	(3,249)	(46.5)
Deferred tax liabilities – net	382	5	4,320	30	(3,938)	(91.2)
Derivative liability	106	1	–	–	106	n/m
Lease liabilities	2,594	33	2,423	17	171	7.1
Pension liability	1,007	13	507	4	500	98.6
Other noncurrent liabilities	39	1	37	–	2	5.4
Total	7,862	100	14,270	100	(6,408)	(44.9)

Loans payable decreased by 46.5%, from ₱6,983 million as at December 31, 2022 to ₱3,734 million as at December 31, 2023 due to partial settlement of Quorn Foods's sterling term loan.

Deferred tax liabilities decreased by 91.2%, from ₱4,320 million as at December 31, 2022 to ₱382 million as at December 31, 2023 due to the recognition of impairment loss on PPE and brand under Meat Alternative segment.

Lease liabilities increased by 7.1%, from ₱2,423 million as at December 31, 2022 to ₱2,594 million as at December 31, 2023 due to reclassification of portion of MNUK's lease liabilities from current to noncurrent.

Pension liabilites increased by 98.6%, from ₱507 million as at December 31, 2022 to ₱1,007 million as at December 31, 2023 due to changes in the discount and salary increase rate assumptions.

Equity

The Group's total equity increased by 11.9% from ₱52,271 million as at December 31, 2022 to ₱58,498 million as at December 31, 2023 due to recognition of the results of operations for FY 2023.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's principal sources of liquidity are cash flows from its operations, borrowings, and IPO proceeds. For the twelve months ended December 31, 2022 and 2023, the Group's cash flows from operations were sufficient to provide for its operations and dividend payments. The IPO proceeds financed the Company's capital expenditure (CapEx) requirements for 2022 and 2023. For the twelve months ended December 31, 2024, the Group's cash flows from operations were sufficient to provide for its operations, dividends, and CapEx requirements. The IPO proceeds were fully used up as at June 30, 2024.

The Group's principal requirements for liquidity are for purchases of raw materials and payment of other operating expenses, investments in production equipment, payment of cash dividends, and other working capital requirements.

The cash flows of the Group are primarily from the operations of its APAC BFB Business. The Group expects that its operating cash flow will continue to be sufficient to fund its operating expenses, dividend payments, and CapEx. The Group also maintains long- and short-term credit facilities with various financial institutions, which can support any temporary liquidity requirements. Any excess capital expenditure beyond the operating cash flow will be funded by bank borrowings.

Cash Flows

The following discussion of the Group's cash flows for the year ended December 31, 2024, 2023, and 2022, should be read in conjunction with the statements of cash flows and notes included in Audited Consolidated Financial Statements.

The following table sets forth the principal components of the Group's statements of cash flows for the years indicated.

	Twelve months Ended December 31,		
	2024	2023	2022
		in millions	
Net cash flows provided by operating activities	13,037	13,291	5,483
Net cash flows used in investing activities	(5,097)	(4,749)	(6,042)
Net cash flows used in financing activities	(10,477)	(3,500)	(1,684)
Net increase (decrease) in cash and cash equivalents	**(2,537)**	**5,042**	**(2,243)**
Effect of Exchange Rate Changes on cash and cash equivalents	16	8	15
Cash and cash equivalents at beginning of year	**16,679**	**11,629**	**13,857**
Cash and cash equivalents as at December 31	**14,158**	**16,679**	**11,629**

Net cash flow provided by operating activities

The net cash flows provided by operating activities were ₱13,037 million for the year ended December 31, 2024. Cash generated from operations (after adjusting for, among other things, depreciation, and amortization, and working capital changes) was ₱15,866 million. The Group generated cash from interest received amounting to ₱569 million and paid income taxes of ₱3,398 million.

The net cash flows provided by operating activities were ₱13,291 million for the year ended December 31, 2023. Cash generated from operations (after adjusting for, among other things, depreciation, and amortization, and working capital changes) was ₱15,299 million. The Group generated cash from interest received amounting to ₱412 million and paid income taxes of ₱2,420 million.

The net cash flows provided by operating activities were ₱5,483 million for the year ended December 31, 2022. Cash generated from operations (after adjusting for, among other things, depreciation, and amortization, and working capital changes) was ₱7,718 million. The Group generated cash from interest received amounting to ₱122 million and paid income taxes of ₱2,356 million.

Net cash flows used in investing activities

The Group's net cash flows used in investing activities were ₱5,097 million for the year ended December 31, 2024. The cash outflow primarily for the Group's payments for CapEx of ₱4,823 million and loan extension amounting to ₱1,210 million. The net cash inflow pertaining to proceeds from termination of financial assets (net of availment) ₱302 million and collection of loans amounting to ₱500 million.

The Group's net cash flows used in investing activities were ₱4,749 million for the year ended December 31, 2023. The cash outflow primarily for the Group's payments for CapEx of ₱3,641 million. The other cash outflow pertain to Parent company subscription to 820,268,295 common shares out of the unissued authorized capital stock of Figaro Coffee Group, Inc. amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million.

The Group's net cash flows used in investing activities were ₱6,042 million for the year ended December 31, 2022. The cash outflow primarily for the Group's payments for CapEx of ₱4,432 million and net investment in current financial assets ₱1,734 million.

Net cash flows used in financing activities

The net cash flows used in financing activities were ₱10,477 million for the year ended December 31, 2024. The net cash outflow primarily due dividend payment amounting to ₱6,828 million and partial settlement of Quorn Foods's sterling term loan amounting to ₱1,932 million (net of new availment). The other cash outlow pertains to payment of lease liabilities (₱1,326 million) and interest expense (₱517 million).

The net cash flows used in financing activities were ₱3,500 million for the year ended December 31, 2023. The net cash outflow primarily due to partial settlement of Quorn Foods's sterling term loan amounting to ₱2,705 million (net of new availment). The other cash outlow pertains to payment of interest expense (₱453 million) and lease liabilities (₱333 million).

The Group's net cash flows used in financing activities were ₱1,684 million for the year ended December 31, 2022. The cash outflow was primarily used in cash dividends of ₱2,517 million partly offset by cash inflow of ₱920 million from derivate income arising from unwinding of cross-currency swap.

FINANCIAL RATIOS / KEY PERFORMANCE INDICATORS

The following are the major financial ratios that the Group uses and monitors.

The top five key performance indicators are Sales Growth, Gross Margin, Core Income After Tax margin, Core EBITDA margin, and Interest rate coverage ratio.

	As at December 31,		
	2024	2023	2022
Current ratio	2.18	2.03	2.19
Acid test ratio	1.52	1.42	1.37
Solvency ratio	0.56	0.55	0.38
Debt-to-equity ratio	0.41	0.44	0.56
Asset-to-equity ratio	1.41	1.44	1.56
	Twelve months Ended December 31,		
	2024	2023	2022
Core Net Sales Growth	3.7%	8.5%	6.7%
Core Gross Margin	34.5%	30.8%	31.3%
Core Income After Tax margin (at ownership)	11.8%	9.5%	8.9%
Core EBITDA Margin	19.3%	16.9%	15.1%
Interest rate coverage ratio	20.93	17.84	21.75

The manners by which the ratios are computed are as follows:

Financial ratios	Formula
Current ratio	Current assets / Current liabilities
Acid test ratio	Cash and cash equivalents + Current receivables+ Current Financial Assets / Current liabilities
Solvency ratio	Net income attributable to equity holders of the Company + Depreciation and amortization + Impairment Loss – FMV gain on guaranty asset / Total liabilities
Debt-to-equity ratio	Total liabilities (current + noncurrent) / Equity attributable to equity holders of the Company
Asset-to-equity ratio	Total assets (current + noncurrent) / Equity attributable to equity holders of the Company
2022 Interest rate coverage ratio [1]	Core EBITDA / Finance Costs
Net Sales Growth	Current period net sales – prior period net sales / Prior period net sales
Gross margin	Gross profit / Net Sales
Core EBITDA Margin	Core EBITDA / Net Sales
Core Income After Tax (at ownership)	Core Income after-tax at Ownership / Net sales

[1]Calculation based on titan loan convenant's formula

Capital Expenditures

The Group's Capital Expenditures (CapEx) were primarily attributable to positioning the Group's APAC BFB Business and Meat Alternative Business to develop new business, expand the Group's production capacity and capability, and improve operational efficiencies. The Group invested in the construction of a new manufacturing plant, new production lines, and machineries.

The table below sets out the Group's estimated 2024 CapEx plan and actual spend for the twelve months ended December 31, 2024, 2023, and 2022.

	Plan	Actual		
	2025	2024	2023	2022
		(in ₱ millions)		
Property, Plant and Equipment				
APAC BFB	6,578	4,120	2,610	2,059

Meat Alternative	976	703	1,031	2,373
Total Property, Plant and Equipment	7,554	4,823	3,641	4,432
Right-of-Use (ROU) Assets				
APAC BFB	–	1,077	–	–
Meat Alternative	–	18	21	99
Total ROU Assets	–	1,095	21	99
Total	**7,554**	**5,918**	**3,662**	**4,531**

In 2024 for APAC BFB, major CapEx was primarily on capacity expansion in Davao and Thailand, acquisition of building and machineries from Atlantic Grains Inc for additional flour processing capability, and operational efficiencies. In addition, ROU assets for 2024 pertains to new lease agreement between MMYSC and TIPCO Estates Corporation for the lease of certain industrial lots inside the TECO Industrial Park located in Mabalacat, Pampanga primarily for capacity expansion. In 2023, The Group's major CapEx in its APAC BFB segment was primarily for the contruction of new bakery manufacturing lines for additional capacity and capability and investment in various machineries to improve operational efficiencies. Meanwhile in 2022, the Group's major CapEx in its APAC BFB segment was primarily for the continued construction of a new manufacturing plant in Malvar Batangas, investment in various machineries to improve operational efficiencies, capabilities, and new Noodles production line.

In 2024 and 2023 for Meat Alternative, investments were primarily for fermentation, long life paste design, research and development, and other capabilities. In 2022, the Group's major capital expenditures in its Meat Alternative segment was to increase production fermentation capacity and capacity to produce deli products.

2025 capital plan in APAC BFB is primarily to improve capacity and development capability. Meat Alternative's 2025 plan mainly to improve operational/cost efficiences to realize restructuring initiatives.

No assurance can be given that the Group's capital expenditures plan will not change or that the amount of the capital expenditures for any project or as whole will not change in future years from current expectations.

OTHER FINANCIAL DATA

I. RECONCILIATION OF PFRS TO NON-PFRS MEASURES

The following tables set out PFRS to non-PFRS reconciliation for the period indicated:

	Twelve Months Ended December 31, 2024			
	PFRS Reported	Non-PFRS Adjustments APAC BFB	Meat Alternative	Non-PFRS Reported
		(in ₱ millions)		
NET SALES	83,120	–	–	83,120
Less: COST OF GOODS SOLD	54,430	–	–	54,430
GROSS PROFIT	28,690	–	–	28,690
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	6,796	29	(6,825)	–
General and administrative expenses	8,353	–	(327)	8,026
Selling expenses	7,657	–	–	7,657
	22,806	29	(7,152)	15,683
Core Other Income/(Expense)				
Miscellaneous Income	–	–	20	20
Interest Expense – Orchid + Trust Receipts	–	(487)	–	(487)
Forex loss on USD Stockpile	–	199	–	199
	–	(288)	20	(268)
CORE INCOME BEFORE TAX	5,884	(317)	7,172	12,739
OTHER INCOME (CHARGES)				
Gain (Loss) on Change in FV of Guaranty Asset	(2,649)	–	–	(2,649)
Foreign exchange gain (loss) – net	25	(199)	–	(174)
Share in net earnings of an associate	56	–	–	56
Market valuation gain (loss) on financial instruments at fair value through profit or loss	82	–	–	82
Miscellaneous + dividend Income	208	–	(20)	188
	(2,278)	(199)	(20)	(2,497)
INCOME BEFORE FINANCE INCOME (EXPENSES)	3,606	(516)	7,152	10,242
FINANCE INCOME (EXPENSES)				
Finance Income	579	–	–	579
Finance Costs	(739)	487	–	(252)
Derivative gain	66	–	–	66
	(94)	487	–	393
Other Non-Recurring Expenses				

	Twelve Months Ended December 31, 2024			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
Impairment Reversal/(Loss) -Net	–	29	(6,825)	(6,796)
Restructuring costs in MNUK	–	–	(327)	(327)
	–	29	(7,152)	(7,123)
INCOME BEFORE INCOME TAX	3,512	–	–	3,512
PROVISION FOR CURRENT INCOME TAX				
Current	3,365	–	–	3,365
Deferred	(303)	–	–	(303)
PROVISION FOR CURRENT INCOME TAX	3,062	–	–	3,062
NET INCOME FROM CONTINUING OPERATIONS	450	–	–	450

	2023			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
		(in ₱ millions)		
NET SALES	80,170	–	–	80,170
Less: COST OF GOODS SOLD	55,442	–	–	55,442
GROSS PROFIT	24,728	–	–	24,728
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss - Net	13,272	89	(13,361)	–
General and administrative expenses	7,775	–	(439)	7,336
Selling expenses	7,038	–	(76)	6,962
	28,085	89	(13,876)	14,298
Core Other Income/(Expense)				
Miscellaneous Income	–	–	30	30
Interest Expense – Orchid + Trust Receipts	–	(523)	–	(523)
Forex loss on USD Stockpile	–	(49)	–	(49)
	-	(572)	30	(542)
CORE INCOME BEFORE TAX	(3,357)	(661)	13,906	9,888
OTHER INCOME (CHARGES)				
Gain (Loss) on Change in FV of Guaranty Asset	1,302	–	–	1,302
Foreign exchange gain (loss) - net	80	49	–	129
Share in net earnings of an associate	36	–	–	36
Market valuation gain (loss) on financial instruments at fair value through profit or loss	93	–	–	93
Miscellaneous + dividend Income	230	–	(30)	200
	1,741	49	(30)	1,760
INCOME BEFORE FINANCE INCOME (EXPENSES)	(1,615)	(612)	13,876	11,649
FINANCE INCOME (EXPENSES)				
Finance Income	428	–	–	428
Finance Costs	(681)	523	–	(158)
Derivative gain	21	–	–	21
	(232)	523	–	291
Other Non-Recurring Expenses				
Impairment Reversal/(Loss) -Net	–	89	(13,361)	(13,272)
Restructuring costs in MNUK	–		(515)	(515)
	–	89	(13,876)	(13,787)
INCOME BEFORE INCOME TAX	(1,848)	–	–	(1,848)
PROVISION FOR CURRENT INCOME TAX				
Current	2,801	–	–	2,801
Deferred	(4,022)	–	–	(4,022)
PROVISION FOR CURRENT INCOME TAX	(1,221)	–	–	(1,221)
NET INCOME FROM CONTINUING OPERATIONS	(627)	–	–	(627)

	2022			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
		(in ₱ millions)		
NET SALES [1]	73,881	59	–	73,940
COST OF GOODS SOLD [2]	50,921	(129)	–	50,792
GROSS PROFIT	22,960	188	–	23,148
SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss - Net [3]	21,374	(210)	(21,164)	–
General and administrative expenses [4]	7,588	–	(252)	7,336
Selling expenses [5]	7,496	(6)	–	7,491
	36,458	(216)	(21,416)	14,827
Core Other Income/(Expense)	–	–	–	–
Interest Expense – Orchid + Trust Receipts	–	(238)	–	(238)
Forex gain on USD Stockpile	–	571	–	571
	-	333	-	333
CORE INCOME BEFORE TAX	(13,498)	736	21,416	8,654
OTHER INCOME (CHARGES)				
Foreign exchange gain (loss) - net	422	(571)	–	(149)
Share in net earnings of an associate	(12)	–	–	(12)
Market valuation gain (loss) on financial instruments at fair value through profit or loss	22	–	–	22
Miscellaneous Income	143	–	–	143
	574	(571)	–	4
INCOME BEFORE FINANCE INCOME (EXPENSES)	(12,924)	166	21,416	8,658
FINANCE INCOME (EXPENSES)				
Finance income	149	–	–	149
Finance costs	(417)	238	–	(179)
Derivative gain	1,306	–	–	1,306
	1,038	238	–	1,276
Other Non-Recurring Expenses				
Impairment loss - Net	–	(210)	(21,164)	(21,374)
Others	–	(194)	(252)	(446)
	–	(404)	(21,416)	(21,820)
INCOME BEFORE INCOME TAX	(11,886)	–	–	(11,886)
PROVISION FOR CURRENT INCOME TAX				
Current	2,429	–	–	2,429
Deferred	(1,300)	–	–	(1,300)
PROVISION FOR CURRENT INCOME TAX	1,129	–	–	1,129
REPORTED NET INCOME	(13,015)	–	–	(13,015)

[1] ₱59 million recall provisions in Thailand due to selective EU recall.
[2] ₱129 million related to global strategic alignment initiatives.
[3] Meat Alternative ₱20,544 million non-cash, non-operating impairment of intangibles assets and ₱620 million PPE, and ₱207 million in APAC BFB primarily due to discontinued product line in MONDE.
[4] ₱252 million restructuring costs in UK
[5] ₱5 million recall provision in Thailand

II. EBITDA Reconciliation

The following tables set out EBITDA reconciliation with respect to the Group's business segments for the period indicated:

	For the twelve months ended December 31, 2024 (Audited)		
	APAC BFB	Meat Alternative	Total
		(in ₱ millions)	
Income before Income Tax	14,316	(10,804)	3,512
Finance Costs	371	367	738
Finance Income	(507)	(72)	(579)
EBIT	14,180	(10,509)	3,671
Derivative Gain	(64)	(1)	(65)
Foreign Exchange (Gain)/Loss	(34)	9	(25)
Gain Change in FV of Guaranty Asset	–	2,649	2,649
Restructuring costs in MNUK	–	327	327
Impairment (Reversal)/Loss	(29)	6,825	6,796
Dividend Income	(22)	–	(22)
Depreciation and Amortization Expense	1,976	712	2,688
EBITDA	**16,007**	**12**	**16,019**

	For the twelve months ended December 31, 2023 (Audited)		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions)		
Income before Income Tax	11,922	(13,769)	(1,847)
Finance Costs	241	441	682
Finance Income	(395)	(33)	(428)
EBIT	11,768	(13,361)	(1,593)
Derivative Gain	(21)	–	(21)
Foreign Exchange (Gain)/Loss	(61)	(20)	(81)
Gain Change in FV of Guaranty Asset	–	(1,302)	(1,302)
Restructuring costs in MNUK	–	515	515
Impairment (Reversal)/Loss	(89)	13,361	13,272
Dividend Income	(22)	–	(22)
Depreciation and Amortization Expense	1,969	803	2,772
EBITDA	**13,544**	**(4)**	**13,540**

	For the twelve months ended December 31, 2022 (Audited)		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions)		
Income before Income Tax	9,824	(21,710)	(11,886)
Interest Expense	234	182	416
Interest Income	(144)	(5)	(149)
EBIT	9,914	(21,533)	(11,619)
Derivative Gain	(1,306)	–	(1,306)
Foreign Exchange (Gain) - Net	(402)	(20)	(422)
Other non-recurring expenses	194	252	446
Impairment Loss	210	21,164	21,374
Depreciation and Amortization Expense	1,958	755	2,713
EBITDA	**10,568**	**618**	**11,186**

III. FINANCIAL LIABILITIES

The following table summarizes the Group's financial liabilities as at December 31, 2024 and 2023.

	2024 In ₱, in millions					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Financial Liabilities						
Accounts payable and other current liabilities*	2,693	8,822	8	–	–	11,523
Dividends payable	–	–	–	–	–	–
Loans payable	–	13	1,238	1,967	–	3,218
Acceptance and trust receipts payable	–	–	1,609	–	–	1,609
Lease liabilities	–	63	182	979	7,356	8,580
	2,693	8,898	3,037	2,946	7,356	24,930

	2023 (In ₱ millions)					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Financial Liabilities						
Accounts payable and other current liabilities*	2,541	8,247	7	–	–	10,795
Dividends payable	–	2,156	–	–	–	2,156
Loans payable	–	21	1,200	3,813	–	5,034
Acceptance and trust receipts payable	–	–	1,607	–	–	1,607
Lease liabilities	–	63	182	947	6,763	7,955
	2,541	10,487	2,996	4,760	6,763	27,547

** Excluding statutory payables*
*** including amount of interest*

Off-Balance Sheet Arrangements

As at December 31, 2024, the Group did not have any material off-balance sheet arrangements or obligations (including contingent obligations), and other relationships of the Group will unconsolidated entities or other persons created during the reporting period that were likely to have a current or future effect on the Group's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Quantitative and Qualitative Disclosure of Market Risk

The Group's APAC BFB Business and Meat Alternative Business are exposed to various types of market risks in the ordinary course of business, including foreign currency risk, commodity price risk, interest rate risk, liquidity risk, and credit risk. For more information on risks discuss below, see Note 26 to Audited Consolidated Financial Statements.

1. Foreign Currency Risk

The Group operates internationally and is exposed to foreign currency risk arising from currency fluctuations in respect of business transactions denominated in foreign currencies. The Group enters into derivative transactions to manage foreign currency risks, including currency swaps and currency options.

2. Commodity Price Risk

The Group is exposed to price volatility arising from the utilization of certain commodities as raw materials, packaging materials, and fuel in its production processes. To minimize the Group's risk of potential losses due to volatility of international crude and product prices, the Group enters into short and longer tenor contracts for commodities such as flour and palm oil.

3. Interest Rate Risk

The Group is exposed to interest rate risk arising from its long-term debt obligations with floating interest rates. The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowings.

4. Liquidity Risk

The Group is exposed to the risk of not meeting its payment obligations when they fall due. The Group manages its liquidity risk by monitoring and maintaining a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding, and mitigate the effects of fluctuations in cash flows.

5. Credit Risk

The Group is exposed to the risk that a counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating (primarily trade receivables) and financing activities. The Group manages its credit risk by monitoring receivables from each customer.

Contingencies

As at December 31, 2024, the Group is involved in various legal proceedings and regulatory assessments, and management believes that these proceedings will not have a material effect on the consolidated financial statements. Disclosure of additional details beyond the present disclosure may seriously prejudice the Group's position and negotiating strategy.

Capital Commitments

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱1,843.6 million ₱2,055.4 million and ₱1,447.5 million, as at 2024, 2023 and 2022, respectively.

OTHER MATTERS

Commodity Prices

The Company continues to see gradual easing of commodity prices in the global markets. The impact of easing commodity prices was reflected in FY 2023 and FY 2024 for wheat, palm oil and sugar. The Parent Company has partially secured estimated requirements for wheat and palm oil until Q4 2025.

Dividend Declaration

On March 26, 2025, the BOD approved the declaration of regular cash dividends of ₱0.15 per common share to stockholders of record as of April 25, 2025, payable on or before May 22, 2025.

Others

There are no unusual items regarding the nature and amount affecting assets, liabilities, equity, net income, or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.

There were no material changes in estimates of amounts reported in prior interim periods of the current year or changes in estimates of amounts reported in prior financial years.

There were no other known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or income from continuing operations, except those stated above and in the Management's Discussion and Analysis of Factors affecting the Operations, Financial Position and Financial Performance.

Below is the foreign exchange rate used in the translation of the Income Statement and Balance Sheet Items to Philippine Peso.

	Twelve months average			Closing Rate		
	For the period ended December 31,			As at December 31,		
	2024	2023	2022	2024	2023	2022
1GBP	73.2263	69.1980	67.2705	72.8477	70.609	67.4394
1USD	57.2925	55.6502	54.5002	57.9790	55.385	55.7550

Item 7. Financial Statements

The consolidated audited financial statements and supplementary schedules, and Parent Company (*i.e.*, MONDE's) audited financial statements and supplementary schedules are filed as part of this report.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

MONDE has engaged the services of SyCip Gorres Velayo & Company ("**SGV & Co.**") during the five most recent calendar years. There were no disagreements with SGV & Co. on any matter of accounting and financial disclosure.

Information on Independent Public Accountant

a. MONDE's external auditor is SGV & Co. The Board, upon the recommendation of its Audit Committee (comprising Independent Directors), approved the appointment of SGV & Co. as independent auditor for 2024 based on its performance and qualifications, and fixed its remuneration amounting to ₱15,605,000.00, exclusive of value-added taxes. Stockholder approval was secured on June 28, 2024.

b. Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at MONDE's annual stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

   Pursuant to the General Requirements of Revised SRC Rule 68, Par. 3 (Qualifications and Reports of Independent

Auditors), the external auditor's Partner-in-Charge for audit year 2024 is Mr. Roel E. Lucas while Ms. Editha V. Estacio was the Partner-in-Charge for the audit years 2020 to 2023.

External Audit Fees and Services

Fees billed for the professional services rendered by the external auditor for the last three completed calendar years are as follows:

Year	Audit and Audit-Related Fees (in ₱)
2024	23,559,516.78
2023	23,766,791.00
2022	20,870,000.00

SGV & Co. performs year end audits, as well as other audit-related services for compliance purposes. The total amount of fees paid to SGV & Co. for (i) audit and (ii) audit-related services for the year 2024 is ₱23,559,516.78 which is broken down as follows: (a) audit fees of ₱15,625,000.00 for the audit of MONDE's and its subsidiaries' year-end financial statements for the period ended December 31, 2024; and (b) audit-related fees of ₱7,934,516.78 for tax consulting services relating to the Bureau of Internal Revenue's National Investigation Division audit, guidance for future accounting handling of guarantee asset, and agreed-upon procedure related to the use of IPO proceeds.

The Board's Audit Committee has an existing policy to review and to pre-approve the audit and non-audit services rendered by the independent external auditor. MONDE is proscribed from engaging the independent auditor for certain non-audit services which are expressly prohibited by prevailing SEC regulations to be performed by an independent auditor for its audit clients. This is to ensure that the independent auditor maintains the highest level of independence from the Company, both in fact and appearance.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(a) Information Required of Directors and of Executive Officers

(1) Directors and Executive Officers

In accordance with MONDE's Amended By-Laws, a MONDE Director holds office for one (1) year or until his/her successor's election and qualification.

The following Directors were elected during the June 2024 annual stockholders' meeting, to serve for a 1-year term:

Hartono Kweefanus, Chairperson Emeritus
Kataline Darmono, Chairperson
Hoediono Kweefanus, Vice-Chairperson
Betty T. Ang
Henry Soesanto
Monica Darmono
Nina Perpetua D. Aguas, Lead Independent Director
Anabelle L. Chua, Independent Director
Ramon Felicisimo M. Lopez, Independent Director

The below sets forth a summary of the qualifications and personal data of the Directors as of December 31, 2024:

Mr. Hartono Kweefanus, Indonesian, 75 y.o., Chairperson Emeritus. Also: chairman of the board of Monde M.Y. San Corporation, PT Khong Guan Biscuit Indonesia, KBT International Holdings, Inc., and

Suntrak Corporation; director of Monde Land, Inc., Monde Nissin Singapore Pte. Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, Monexco International Ltd., Monde Nissin (Thailand) Co., and Da Sun Holdings Pte. Ltd. Graduated from Nanyang University, Singapore, majoring in Industrial and Business Management. Mr. Kweefanus has been a MONDE Director for 45 years.

Ms. Kataline Darmono, Indonesian, 46 y.o., Chairperson of the Board. Also: member, board of PT Wahana Mekar Lestari and PT Khong Guan Biscuit Indonesia. Received her Bachelor of Arts, majoring in Finance, from Lehigh University, Pennsylvania, USA, and her Master of Business Administration from Pepperdine University, California, USA. Joined MONDE as Non-Executive Director on April 12, 2021.

Mr. Hoediono Kweefanus, Indonesian, 73 y.o., Vice Chairperson. Also: president and director of P.T. Nissin Biscuit and P.T. Monde Makkota; Vice-Chairman of KBT International Holdings, Inc., director of Monde Nissin Singapore Pte. Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, Monexco International Ltd., Monde Nissin (Thailand) Co. Ltd., Da Sun Holdings Pte. Ltd., and Sun Operation Company Limited. Graduated from Nanyang University Singapore with a Bachelor of Commerce degree. Mr. Kweefanus has been a MONDE Director for 12 years.

Ms. Betty T. Ang, Filipino, 70 y.o., President. Also a director of Suntrak Corporation. Graduated from Assumption College with a Bachelor of Science in Commerce, majoring in Business Management. Ms. Ang has been MONDE's President and Director for more than 45 years, being with the Company since its incorporation on May 23, 1979.

Mr. Henry Soesanto, Indonesian, 73 y.o., Executive Vice-President, and Chief Executive Officer. Also: president of Monde M.Y. San Corporation, Chairman of the Board of Sarimonde Foods Corporation, All Fit & Popular Foods, Inc. and Monde Nu-Agri Corporation, and director of Monde Land, Inc., Monde Nissin Singapore Pte. Ltd., Monde Nissin UK Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, Suntrak Corporation, KBT International Holdings, Inc., Monexco International Ltd., Monde Nissin (Thailand) Co. Ltd., Da Sun Holdings Pte. Ltd., and Sun Operation Company Limited, and Amico Innovations, Inc. Also treasurer and director at Monde Malee Beverage Corporation. Graduated from the Institute of Technology, Surabaya, Indonesia with a Bachelor of Science, majoring in Chemical Engineering, and a Master of Science in Chemical Engineering, and finished US-based eCornell University's Plant-Based Nutrition Certificate Program. Mr. Soesanto has been a MONDE Director for 36 years, and had been with the Company for 43 years.

Ms. Monica Darmono, Indonesian, 70 y.o., Treasurer. Also: treasurer and director of KBT Holdings, Inc.; and director at Monexco International Ltd., Monde Malee Beverage Corporation, and Amico Innovations, Inc. Graduated from the Standard College of Singapore with a Bachelor of Science, majoring in Accounting. Ms. Darmono has been a MONDE Director for 19 years.

Ms. Nina Perpetua D. Aguas, Filipino, age, 72 y.o.; Lead Independent Director. Also currently executive chairperson of Insular Life Assurance Co.; chairman of Insular Healthcare, Inc.; chairman and trustee of Insular Foundation; and director of Unionbank of the Philippines, and Shell Pilipinas Corporation; independent director of Megawide Construction Corporation (as of March 2025); and senior advisor and co-founder of Ascort Asia Group – Indonesia. Formerly, chairman of the Bank of Florida; member of the World Bank Group's Advisory Council on Gender and Development, and The Philippine Stock Exchange's Market Integrity Board; director of City Savings Bank, Philippine Life Insurance Association, Shell Company of the Philippines, Ltd., Insurance Institute for Asia & the Pacific, and Mapfre Insular Insurance Corporation; CEO and Independent Board Trustee of The Insular Life Assurance Co. Ltd.; President, and CEO of the Philippine Bank of Communications; Managing Director and Head of Private Bank – Asia Pacific and Managing Director and Retail Banking Head – Asia Pacific of the Australia and New Zealand (ANZ) Banking Ltd., Singapore; and managing director and head of Corporate Center Compliance in New York for Citigroup, Inc. Received her Bachelor of Science in Commerce, Accounting from the University of Santo Tomas. Awarded Citibank's Distinguished Alumni for Leadership and Ingenuity in 2021, Forbes Magazines' 25 Asia Power Businesswomen, and Business Insider's 100 People Transforming Business in Asia, in 2019, and the Filipina Women Network (FWN) 100 Most Influential Filipina Women Leaders in the World™ in 2013. Joined MONDE as an Independent Director on April 15, 2021.

Ms. Anabelle L. Chua, Filipino, age 64 y.o., Independent Director. Also independent director of BDO Network Bank, Inc. (elected December 2024).[2] Formerly director and member of the Audit, and Capital Markets Development Committees of The Philippine Stock Exchange, Inc.; director, chairperson of the Finance Committee, and member of the Finance, Audit, Risk Management, Nominations and Governance, and Related Party Transaction Committees, of MERALCO; director, chairperson of the Technology Group Governance Committee, and member of the Audit and Risk and Compliance Committees of Maya Philippines, Inc.; director and member of the Audit and Technology Governance Committees of Mayabank, Inc.; director of Smart Communications, Inc., ePLDT Inc., Smart Broadband, Inc., Digital Telecommunications Phils., Inc., Digitel Mobile Phils, Inc., PLDT Communications and Energy Ventures, Inc., Philippine Telecommunications Investment Corporation, PLDT Global Investments Holdings, Inc., PLDT Global Corporation, PLDT Capital Pte Ltd., MediaQuest Holdings Inc., TV5 Network Inc., Cignal TV, Philstar Daily Inc., Pilipino Star Printing Co., Inc., Pilipino Star Ngayon, Inc., Philstar Global Corporation, Business World Publishing Corporation, Beacon Electric Asset Holdings Inc., Eastern Telecommunications Philippines Inc., Vega Telecom Inc., Voyager Innovations Inc., PLDT- Smart Foundation, Meralco PowerGen Corporation, Global Business Power Corporation, and Securities Clearing Corporation of the Philippines. Previously held the following management positions: Group Chief Financial Officer and Senior Vice President, Chief Risk Management Officer, and Treasurer;, of PLDT, Inc.; Chief Financial Officer of Smart Communications, Inc.; Corporate Finance Senior Transactor and Market Execution Head, Customer Risk Management Head, Business MIS Head, Financial Accounting Head, and Financial Analyst, in Citibank, N.A.; controller of Solid Pacific Finance Ltd.; and banking assistant at the Philippine National Oil Company. Received her Bachelor of Science in Business Administration and Accountancy from the University of the Philippines (magna cum laude), and ranked number 1 in the October 1982 Certified Public Accountant Board Examinations. Awarded the ING- FINEX CFO of the Year in 2021. Joined MONDE as an Independent Director on September 22, 2023.

Mr. Ramon Felicisimo M. Lopez, Filipino, age 64 y.o., Independent Director. Currently, Independent Director of SM Investments Corporation, AIC Group of Companies Holding Corporation, New Marketlink Pharmaceutical Corporation, Seedbox Securities, Inc., and Pilmico Foods Corporation; trustee and vice chairman of Valenzuela City Technological College; Philippine Governor and chairman of the Governing Board of the Economic Research Institute for ASEAN and East Asia; member of the board of advisors of Packworks Venture Pte. Ltd.; and member of the advisory board of the Bayan Family of Foundations. Formerly secretary (cabinet member/minister) of the Department of Trade and Industry of the Government of the Republic of the Philippines; chairperson of the Philippine Board of Investments, Philippine Economic Zone Authority, National Development Company, Export Development Council, Anti-Red Tape Authority Advisory Council, Philippine International Trading Corp., Center for International Trade Expositions and Missions (CITEM), and Halal Board; supervised the DTI-attached agencies such as the Intellectual Property Office of the Philippines, Technical Education and Skills Development Authority, and the Cooperative Development Authority, among others. Was also Vice President and Head of Strategic Planning of RFM Corporation; and executive director of Go Negosyo. Received his Bachelor of Arts in Economics from the University of the Philippines, and Masters in Development Economics from Williams College, Massachusetts, USA. Awarded the 2016 Nation Builders Award for Government Service, 2017 Philippine Innovation Man of the Year, Presidential Order of Sikatuna (with a rank of Datu), 2020 People of the Year by People Asia, Presidential Medal of Merit in 2022, and the Lifetime Contributor of the Year by The Asia CEO Awards 2022. Joined MONDE as an Independent Director on June 28, 2024.

[2] Pending confirmation from the Bangko Sentral ng Pilipinas.

MONDE's Corporate Officers and Key Executives are as follows:

Betty T. Ang, President
Henry Soesanto, Executive Vice-President and Chief Executive Officer
Monica Darmono, Treasurer
Helen G. Tiu, Corporate Secretary and Chief Legal Counsel
Marivic N. Cajucom-Uy, Chief Sustainability Officer
Rico A. Gonzales, Chief Business Officer
Jesse C. Teo, Chief Financial Officer
Michael J. Paska, Chief Investor Relations Officer and Chief Risk Management Officer
Michael Stanley D. Tan, Chief Operations Officer[3]
Daniel Teichert, Chief Internal Audit Executive
Jon Edmarc R. Castillo, Chief Compliance Officer and PSE Company Information Officer
Katherine C. Lee-Bacus, Assistant Corporate Secretary
Anne Katherine N. Santos, Assistant Corporate Secretary
Samuel C. Sih, Chief Commercial Officer (retired February 2025)
Wendy T. Antioquia, Regional Research and Development Director
Melissa C. Pabustan, Chief Marketing Officer
Jocelyn Jones G. So, Chief Information and Digital Officer
Luzviminda M. Mercurio, Chief People & Culture Officer
Maria Olivia Y. Misa, Head of Corporate and Government Affairs

Set forth below is a summary of their qualifications and other relevant information:

Atty. Helen G. Tiu, Filipino, 64 y.o., Corporate Secretary and Chief Legal Counsel. She was MONDE's Data Protection Officer from June 26, 2019 to March 22, 2022, and Chief Legal Officer from July, 2017 to July, 2022. Also director of Sarimonde Foods Corporation, Monde Rizal Properties, Inc., Monde Malee Beverage Corporation, and Monde Nu-Agri Corporation, and corporate secretary of Monde M. Y. San Corporation, Sarimonde Foods Corporation, All Fit & Popular Foods, Inc., Monde Malee Beverage Corporation, KBT International Holdings, Inc., and Monde Nu-Agri Corporation; trustee, Harvard Law School Alumni Association of the Philippines; director and corporate secretary of Amico Innovations, Inc.; corporate secretary of Philstar Daily, Inc., Pilipino Star Ngayon, Inc., Pilipino Star Printing Co., Inc., Philstar Global Corporation, and JS Publications (The Freeman) Co., Inc. Previously: independent director at NiHAO Mineral Resources International, Inc., Asiabest Group International, Inc., and Dizon Copper Silver Mines, Inc.; director in Petron Corporation; president of the Harvard Law School Alumni Association of the Philippines; corporate secretary for Aboitiz Transport System Corporation (now 2Go Group, Inc.); partner at SGV & Co.; Head Executive Assistant to the Secretary of Energy at the Philippine Department of Energy; instructor at the College of Business Administration, University of the Philippines. Member, Integrated Bar of the Philippines, UP Women Lawyers' Circle, Inc., Good Governance Advocates and Practitioners of the Philippines (GGAPP), and Harvard Club of the Philippines Foundation, Inc. Received her Bachelor of Science in Business Administration and Accountancy (cum laude), and Bachelor of Laws, from the University of the Philippines, and her Master of Laws from Harvard University. She has been MONDE's Corporate Secretary since 2014.

Ms. Marivic N. Cajucom-Uy, Filipino, 60 y.o., Chief Sustainability Officer. Joined MONDE in 1989, previously served in various capacities, including Sustainability Director, Internal Consulting Director, Core Business Strategy Director, Marketing Director, and Marketing Manager. Received her Bachelor of Arts in Economics (cum laude) from the University of the Philippines. She has been with MONDE for 36 years.

Mr. Rico A. Gonzales, Filipino. 60 y.o., Chief Business Officer. Previously: Chief Strategy Officer, Monde Nissin Corporation; Chief Strategy Officer, Monde Nissin Singapore Pte. Ltd.; Managing Director, Meval International Pte. Ltd.; General Manager, Lemnis Lighting Asia Pte. Ltd.; Chief Executive Officer, Philips Electronics & Lighting Inc., Philippines; General Manager, Philips Lighting, Philippines; General Manager, Philips Consumer Lifestyle, Philippines; General Manager, Philips Electronics Singapore; Channel

[3] Seconded on a full-time basis to UK-based indirect subsidiary MFL (March 2025).

Development Director, Philips Electronics & Lighting Inc.; and Sales Manager – Associate Director, Procter & Gamble, Philippines. Received his Bachelor of Science in Business Administration from University of the Philippines. Joined MONDE in 2023.

Mr. Jesse C. Teo, Filipino, 53 y.o., Chief Financial Officer. Also: director at Monde Nissin Singapore Pte. Ltd., Monde Nissin UK Ltd., Monde Nissin New Zealand Ltd., Sarimonde Foods Corporation, All Fit & Popular Foods, Inc., Monde Nu-Agri Corporation, and Monde Nissin Foundation, Inc.; director and treasurer of Amico Innovations, Inc.; trustee of Monde Nissin Foundation, Inc.; and Chief Financial Officer at Sarimonde Foods Corporation, All Fit and Popular Foods, Inc., and Monde Nu-Agri Corporation. Received his degree in BS Management – Honours Program from Ateneo de Manila University. Has been with MONDE for 10 years.

Mr. Michael J. Paska, American, 55 y.o., Chief Investor Relations Officer and Chief Risk Management Officer. Previously: independent consultant at Asian Development Bank, and was connected with Edtech Capital Advisors, Amalgamated Investment Bancorporation, Fortman Cline Capital Markets, Groveland Capital, Whitebox Advisors, Wachovia Securities (now Wells Fargo), Progress Energy, Andersen Consulting (now Accenture), and the US' Central Intelligence Agency (CIA). He has a Bachelor of Science in Electrical Engineering from the University of Minnesota, a Master of Economics from North Carolina State University, and an MBA from the University of Chicago. Joined MONDE in 2019.

Mr. Daniel Teichert, German, 46 y.o., Chief Internal Audit Executive. Previously: Chief Risk Management Officer (August 2016 to November 2023), interim Chief Internal Audit Executive and concurrent Chief Risk Management Officer (November 2023 to December 2024), Monde Nissin Corporation. Also: various financial management roles, including: Vice President Finance and IT Sourcing Division, Siemens Inc. Philippines; CFO, ATOS Philippines; Vice President Corporate — Head of Finance, Atlantic, Gulf and Pacific. Member, Good Governance Advocates and Practitioners of the Philippines. He has degrees in Industriekaufmann (IHK, DE) from Siemens AG "Stammhauslehre," Bachelor in Commercial Economics from Hogeschool Zeeland, NL, and Betriebswirt (VWA), Verwaltungs und Wirtschaftakademie, (Essen DE). Has been with MONDE for eight years.

Atty. Jon Edmarc R. Castillo, Filipino, 38 y.o., Chief Compliance Officer and PSE Company Information Officer. Previously: Senior Associate, SyCip Salazar Hernandez & Gatmaitan; Litigation, Labor, and Permits Manager, Philex Mining Corporation; Researcher, University of the Philippines Law Center. Member and Accredited Arbitrator, Integrated Bar of the Philippines. Certified Compliance Officer, Center for Global Best Practices; Alumnus, University of the Asia and the Pacific Center for Research and Communication Data Protection Officer Foundational and Certification Program. Member, Philippine Institute of Arbitrators; Member, Good Governance Advocates and Practitioners of the Philippines. Received his Bachelor of Arts (Magna Cum Laude) and Juris Doctor Degrees from the University of the Philippines. Joined MONDE in 2020.

Atty. Katherine C. Lee-Bacus, Filipino, 35 y.o., Assistant Corporate Secretary. Previously: Associate, SyCip Salazar Hernandez & Gatmaitan; Associate, Risk and Internal Audit, Isla Lipana & Co; Audit Specialist, Bank of the Philippine Islands. Member, Integrated Bar of the Philippines. Certified Compliance Officer, Center for Global Best Practices; Alumnus, University of the Asia and the Pacific Center for Research and Communication Data Protection Officer Foundational and Certification Program. Received her J.D. from Ateneo Law School, and her Bachelor of Science in Accountancy (magna cum laude) from Saint Louis College. Joined MONDE in 2021.

Atty. Anne Katherine N. Santos, Filipino, 36 y.o., Assistant Corporate Secretary. Previously: Senior Associate, SyCip Salazar Hernandez & Gatmaitan. Member, Integrated Bar of the Philippines. Certified Compliance Officer, Center for Global Best Practices; Alumnus, University of the Asia and the Pacific Center for Research and Communication Data Protection Officer Foundational and Certification Program. Received her J.D. from Ateneo Law School, and her Bachelor of Science in Management Engineering from Ateneo de Manila University. Joined MONDE in 2021.

Ms. Wendy T. Antioquia, Filipino, 58 y.o., Regional Research and Development Director. Previously: General Manager-Biscuits and Wafer Business Unit, R&D Head, and R&D Specialist. Received her Bachelor of Science degree in Food Technology from the University of the Philippines; member of the Philippine Association of Food Technologists. She has been with MONDE for 32 years.

Ms. Melissa Chua-Pabustan, Filipino, 53 y.o., Chief Marketing Officer. She was previously connected with RFM Corporation. Has degrees in BS Applied Economics and BS Marketing Management from De La Salle University. She has been with MONDE for 28 years.

Ms. Jocelyn Jones G. So, Hong Kong SAR Chinese, 60 y.o., Chief Information and Digital Officer. Previously with PCCW Solutions Ltd. as: Senior Vice President and CMT Industry Head; Senior Vice President, Business Process Unit, HKT; and Senior Vice President, Systems Solutions Development and Integration. Received her Bachelor of Science in Math, Major in Computer Science from Ateneo de Manila University and her Master of Business Administration, Major in Information Technology from University of Western Sydney. Joined MONDE in 2022.

Ms. Luzviminda M. Mercurio, Filipino, 60 y.o., Chief People & Culture Officer. Previously: Vice President for HR-Training and Staffing, GE Consumer Finance; HR and Organization & Talent Development Manager, Mondelez Philippines (previously Kraft Foods Philippines); Regional Learning and Development Leader – ASEAN Region, General Electric; and CEO, Strategic Learning and Professional Development Consulting. Received her Bachelor of Arts in Communication from the University of the Philippines; finished the Leadership & Management Development Program of Ateneo Graduate School of Business. Joined MONDE in 2021.

Atty. Maria Olivia Y. Misa, Filipino, 55 y.o., Head of Corporate and Government Affairs. Also: trustee of Monde Nissin Foundation, Inc. Previously: Head of Government and Industry Affairs, Nestlé Philippines; Head of Compliance, Nestlé Nutrition Southeast Asia & Pacific Region; Regional Regulatory Affairs Director- Asia Pacific, Mead Johnson Nutrition (now Reckitt); Corporate Relations Director- Asia Pacific, Middle East and Africa, Abbott Nutrition. Member of the Integrated Bar of the Philippines and UP Women Lawyers Circle, Inc. Member of the Board and Corporate Secretary of Philippine Chamber of Food Manufacturers, Inc. Received her Bachelor of Science in Economics and Juris Doctor from the University of the Philippines, and certifications for International Food Law and Food Safety at the Michigan State University. Joined MONDE in 2023.

(2) Significant Employees

While MONDE values the contribution of each of its executive and non-executive employees, it believes that there is no single executive or non-executive employee whose resignation or loss would have a material adverse impact on the Company's business.

(3) Family Relationships

Mr. Hartono Kweefanus, Mr. Hoediono Kweefanus, and Ms. Monica Darmono are siblings. Ms. Betty T. Ang is married to Mr. Hoediono Kweefanus. Mr. Henry Soesanto is married to Ms. Monica Darmono. Ms. Kataline Darmono is the daughter of Mr. Hartono Kweefanus.

There are no other known family relationships either by consanguinity or affinity up to the fourth civil degree between and among MONDE's incumbent directors and executive officers.

(4) Involvement in Certain Legal Proceedings

To the best of the Company's knowledge and belief and after due inquiry, none of MONDE's directors or executive officers, in the five-year period prior to the date of this Annual Report, had: (1) any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) been convicted by final judgment in a criminal proceeding, domestic or foreign, or has been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) been subjected to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities, or banking activities; or (4) been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange, or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

The Group is not involved in any litigation, arbitration, or claims (including personal injuries, employee compensation or product liability claims) of material importance, and the Group is not aware of any litigation, arbitration, or claims of material importance pending or threatened against it that would have a material adverse effect on its business, financial condition, or results of operations.

(b) Resignation of Directors

From Listing Date up to the present, no Director has resigned or declined to stand for re-election to the Board as a result of any disagreement with MONDE on any matter relating to the Company's operations, policies, or practices. Director Marie Elaine Teo did not stand for re-election upon the expiration of her term on June 28, 2024.

(c) Others

Board Attendance

The directors' attendance record for Board meetings in 2024 is as follows:

Director	No. of Meetings Attended/Held	Attendance Percentage
Hartono Kweefanus	3/6	50.0%
Kataline Darmono	4/6	66.7%
Hoediono Kweefanus	6/6	100.0%
Betty T. Ang	5/6	83.3%
Henry Soesanto	6/6	100.0%
Monica Darmono	6/6	100.0%
Nina Perpetua D. Aguas	6/6	100.0%
Marie Elaine Teo[a]	2/2	100.0%
Anabelle L. Chua	6/6	100.0%
Ramon Felicisimo M. Lopez	4/4	100.00%

[a] Former independent director Ms. Marie Elaine Teo's term of office ended on June 28, 2024.

The Board has established committees to assist in exercising its authority and monitoring MONDE's performance in accordance with MONDE's Revised Manual on Corporate Governance ("**CG Manual**"), and related SEC circulars.

The incumbent members of the Board's Audit Committee and their attendance at meetings in 2024 are as follows:

Committee Members	No. of Meetings Attended/Held	Attendance Percentage
Anabelle L. Chua (Chairperson)	6/6	100.0%
Marie Elaine Teo[a]	3/3	100.0%
Nina Perpetua D. Aguas	6/6	100.0%
Ramon Felicisimo M. Lopez	3/3	100.0%

[a] Former independent director Ms. Marie Elaine Teo's term of office ended on June 28, 2024.

The incumbent members of the Board's CGNR Committee and their attendance at meetings in 2024 are as follows:

Committee Members	No. of Meetings Attended/Held	Attendance Percentage
Ramon Felicisimo M. Lopez (Chairperson)	1/1	100.0%
Marie Elaine Teo (Former Chairperson)[(a)]	2/2	100.0%
Nina Perpetua D. Aguas	3/3	100.0%
Anabelle L. Chua	3/3	100.0%

(a) Former independent director Ms. Marie Elaine Teo's term of office ended on June 28, 2024.

The incumbent members of the Board's Risk and Related Party Transactions Committee and their attendance at meetings in 2024 are as follows:

Committee Members	No. of Meetings Attended/Held	Attendance Percentage
Nina Perpetua D. Aguas (Chairperson)[(a)]	2/2	100.0%
Ramon Felicisimo M. Lopez	2/2	100.0%
Marie Elaine Teo	N/A	N/A
Anabelle L. Chua	2/2	100.0%

(a) Former independent director Ms. Marie Elaine Teo's term of office ended on June 28, 2024.

The incumbent members of the Board's Executive Committee and their attendance at meetings in 2024 are as follows:

Committee Members	No. of Meetings Attended/Held	Attendance Percentage
Henry Soesanto (Chairperson)	4/4	100.0%
Betty T. Ang	4/4	100.0%
Nina Perpetua D. Aguas	4/4	100.0%
Monica Darmono	4/4	100.0%
Kataline Darmono	3/4	75.0%

Performance Evaluation

The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the Chairperson, and the directors. The assessment criteria or metrics include board composition; board roles, functions and processes; information management; representation of shareholders; management of MONDE's performance; succession planning; dynamics and relationships; and other best practices in corporate governance. The aggregated results are presented to the Board during a Board meeting at the end of the assessment process. Pursuant to the recommendation of the SEC's Code of Corporate Governance for PLCs and of MONDE's CG Manual, this annual performance assessment is to be supported by an external facilitator every three years. For the 2023 performance assessment process conducted in 2024, MONDE was assisted by the Institute of Corporate Directors (ICD).

Item 10. Executive Compensation

(a) Executive Compensation

The aggregate compensation paid or incurred during the last two calendar years, as well as those estimated to be paid in the ensuing calendar year, to MONDE's Chief Executive Officer ("**CEO**"), and MONDE's senior executive officers are as follows:

Name and Principal Position	Year	Salary (in ₱)	Other Variable Benefits (in ₱)	Total (in ₱)
Betty Ang *President*	2023-2025			
Henry Soesanto *Chief Executive Officer*	2023-2025			
Rico A. Gonzales *Chief Business Officer*	2023-2025			
Marivic N. Cajucom-Uy *Chief Sustainability Officer*	2023-2025			
Samuel C. Sih *Chief Commercial Officer* *(Retired February 2025)*	2023-2025			
Jesse C. Teo *Chief Financial Officer*	2025			
Total compensation of the CEO and 4 most highly compensated officers[4]	2023	61,221,686.65	133,966,245.58	195,187,932.23
	2024	63,433,591.00	145,619,000.00	209,052,591.00
	2025 (est.)	66,609,160.00	146,482,600.00	213,091,760.00
All other officers and Directors as a group unnamed[5]	2023	90,615,168.00	65,229,767.00	155,844,935.00
	2024	83,371,730.00	59,382,903.00	142,754,633.00
	2025 (est.)	81,839,000.00	58,477,893.00	140,316,893.00
Total	2023	151,836,854.65	199,196,012.58	351,032,867.23
	2024	146,805,321.00	205,001,903.00	351,807,224.00
	2025 (est.)	148,448,160.00	204,960,493.00	353,408,653.00

(b) Compensation of Directors

Under the Amended By-Laws' Article I, Section 5, "directors shall be entitled to receive from [MONDE] fees and other compensation for their services in accordance with Section 29 of the Revised Corporation Code. In no case shall the total yearly compensation of [d]irectors exceed three percent (3.0%) of the net income before income tax of [MONDE] during the preceding year. The Board's Corporate Governance, Nominations, & Remuneration (*i.e.*, CGNR) Committee shall have the responsibility of recommending such fees and other compensation of [d]irectors. In discharging this duty, the CGNR Committee shall be guided by the principle that [d]irectors should be fairly remunerated for their performance and for work required and responsibility assumed in a company of the [MONDE's] size and scope."

(1) Standard Arrangements

Other than payment of reasonable per diems for the attendance by Independent Directors at the meetings of the Board and of Board Committees, there are no other arrangements pursuant to which the Directors are compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments.

[4]CEO Mr. Henry Soesanto, President Ms. Betty T. Ang, Chief Business Officer Mr. Rico A. Gonzales, Chief Sustainability Officer Ms. Marivic N. Cajucom-Uy, and former Chief Commercial Officer Mr. Samuel C. Sih (ret.), comprise the "CEO and four most highly compensated officers" in 2024. CEO Mr. Henry Soesanto, President Ms. Betty T. Ang, Chief Business Officer Mr. Rico A. Gonzales, Chief Sustainability Officer Ms. Marivic N. Cajucom-Uy, and Chief Financial Officer Jesse C. Teo are expected to comprise the "CEO and four most highly compensated officers" for 2025.

[5] The salary of "All Other Officers and Directors as a Group Unnamed" decreased in 2024 (compared to 2023) as a result of the secondment of one executive to a foreign subsidiary, and the retirement of another executive in August 2024. For 2025 (est.), with Mr. Sih's retirement in February 2025, Chief Financial Officer Mr. Jesse C. Teo is now included in "Total Compensation of the CEO and 4 most highly compensated officers".

On March 1, 2021, the Board approved a resolution fixing the current meeting fees of Independent Directors, as follows:

Board Meeting Fee per meeting attended (per diem)	240,000.00
Board Committee Meeting Fee per meeting attended (per diem)	₱ 120,000.00

Directors who are not Independent Directors do not receive meeting fees or any other remuneration. The foregoing meeting fees were determined before the current Independent Directors became members of the Board. The current Independent Directors did not participate in the determination of said meeting fees.

Pursuant to the requirement of the Revised Corporation Code's Sections 29 and 49 relating to an annual report of the total compensation of each member of the Board of Directors, below is a table showing the gross compensation received by the Directors in 2023 and 2024 and those estimated to be payable in 2025:

	2023 (in ₱)			2024 (in ₱)			2025 – estimate (in ₱)		
	Board Meetings	Committee Meetings	Total	Board Meetings	Committee Meetings	Total	Board Meetings	Committee Meetings	Total
Non-Independent Directors	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Independent Directors									
Romeo L. Bernardo	1,200,000.00	840,000.00	2,040,000.00	-	-	-	-	-	-
Nina Perpetua D. Aguas	2,160,000.00	1,440,000.00	3,600,000.00	1,440,000.00	1,800,000.00	3,240,000.00	1,680,000.00	1,560,000.00	3,240,000.00
Marie Elaine Teo	2,160,000.00	1,440,000.00	3,600,000.00	480,000.00	600,000.00	1,080,000.00	-	-	-
Anabelle L. Chua	960,000.00	600,000.00	1,560,000.00	1,440,000.00	1,320,000.00	2,760,000.00	1,680,000.00	1,440,000.00	3,120,000.00
Ramon Felicisimo M. Lopez	-	-	-	960,000.00	720,000.00	1,680,000.00	1,680,000.00	1,440,000.00	3,120,000.00
Total	**6,480,000.00**	**4,320,000.00**	**10,800,000.00**	**4,320,000.00**	**4,440,000.00**	**8,760,000.00**	**5,040,000.00**	**4,400,000.00**	**9,480,000.00**

(2) Other Arrangements

Other than as disclosed above, there are no arrangements pursuant to which any of the Directors were compensated or are to be compensated, directly or indirectly, by MONDE for services rendered as Directors or Board Committee members during the last calendar year, and the ensuing calendar year.

As mentioned, Directors other than Independent Directors do not receive meeting fees nor any other form of remuneration as such. Thus, no meeting fees or any other form of remuneration were incurred or paid to non-independent directors for their services as such in 2023 and 2024.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no employment contracts between MONDE and its executive officers.

There are neither special compensatory plans nor arrangements with respect to an executive officer that has resulted or will result from the resignation, retirement, or any other termination of such executive officer's employment with MONDE, or from a change-in-control in MONDE, or a change in an executive officer's responsibilities following a change in control of the Company.

(d) Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options held by the CEO, by executive officers, nor by all Directors and officers as a group.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners of more than 5% as of December 31, 2024:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of total outstanding shares)
Common	**Hartono Kweefanus** JL Syamsurizal Kota Adm. Jakarta Pusat, Indonesia (Director)	Hartono Kweefanus (same as record owner)	Indonesian	4,214,244,600	23.453%
Common	**Hoediono Kweefanus**[6] JL Raya Darmo 65 Surabaya, Indonesia (Director)	Hoediono Kweefanus (same as record owner)	Indonesian	948,324,600	5.278%
Common	**Betty T. Ang**[7] 45B Park Terraces Condominium, Palm Drive, Ayala Center, Makati (Director)	Betty T. Ang (same as record owner)	Filipino	3,265,920,000	18.176%
Common	**Henry Soesanto**[7] Unit 45A, Discovery Primea Suites 6749 Ayala Avenue, Brgy. Urdaneta (Director)	Henry Soesanto (same as record owner)	Indonesian	1,549,727,396[8]	8.625%
Common	**My Crackers, Inc.** 1763 P.M. Guanzon St. Paco, Manila	Keng Sun Mar Peter Mar	Filipino	1,228,611,496	6.838%
Common	**PCD Nominee Corporation (Non-Filipino)**[9] Philippine Depository & Trust Corp., 29th Floor, BDO Equitable Tower 8751 Paseo de Roxas, Makati City	PCD participants acting for themselves or for their customers[10]	Various Non-Filipino	1,461,864,671[11]	8.136%
Common	**PCD Nominee Corporation (Filipino)** Philippine Depository & Trust Corp., 29th Floor, BDO Equitable Tower 8751 Paseo de Roxas, Makati City	PCD participants acting for themselves or for their customers	Various Filipino	2,617,644,729	14.568%

[6] Mr. Hoediono Kweefanus and Ms. Betty. T. Ang are spouses. As such, under Rule 3.1.2 of the SRC Implementing Rules and Regulations ("**SRC IRR**"), they are each deemed to have an indirect beneficial interest in the other's shares.
[7] Mr. Henry Soesanto and Ms. Monica Darmono are spouses. As such, under Rule 3.1.2 of the SRC IRR, they are each deemed to have indirect beneficial interest in the other's shares.
[8] This is inclusive of Mr. Henry Soesanto's ownership of another 41,046,000 shares through PCD Nominee Corp. (Non-Filipino) which brings his total ownership percentage to 8.625% and PCD Nominee Corp. (Non-Filipino)'s total ownership percentage to 8.136%.
[9] PCD Nominee Corporation is the registered owner of the shares in the books of the Company's stock transfer agent. PCD Nominee Corporation is a corporation wholly owned by the PDTC, which acts as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the PDTC's current system, only PCD participants (i.e., brokers and custodians) are recognized by the PDTC as the owners of the lodged shares.
[10] Each beneficial owner of shares through a PCD participant (*i.e.*, brokers and custodians) is the beneficial owner to the extent of the number of shares in his/her/its account with the PCD participant. Based on the reports provided to the Company by the STA, out of the PCD Nominee Corporation account, none of the PCD participants hold more than 5% of the Company's outstanding capital stock for various trust accounts as of December 31, 2024.
[11] This excludes Mr. Henry Soesanto's ownership of another 41,046,000 shares through PCD Nominee Corp. (Non-Filipino) which brings PCD Nominee Corp. (Non-Filipino)'s total ownership percentage to 8.136%.

(2) Security Ownership of Directors and of Management (Executive Officers) as of December 31, 2024:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
DIRECTORS				
Common	Hartono Kweefanus	(direct) 4,214,244,600	Indonesian	23.453%
Common	Hoediono Kweefanus[7]	(direct) 948,324,600	Indonesian	5.278%
Common	Betty T. Ang[7]	(direct) 3,265,920,000	Filipino	18.176%
Common	Henry Soesanto[9 and 11]	(direct and indirect[12]) 1,549,727,396	Indonesian	8.625%
Common	Monica Darmono[9]	(direct) 765,897,598	Indonesian	4.262%
Common	Kataline Darmono	(direct) 2 Monica Darmono is the beneficial owner of 2 shares	Indonesian	0.000%
Common	Nina Perpetua D. Aguas	(direct) 2 Henry Soesanto is the beneficial owner of 2 shares	Filipino	0.000%
Common	Anabelle L. Chua[13]	(direct and indirect[18]) 20,001 Henry Soesanto is the beneficial owner of 1 share	Filipino	0.000%
Common	Ramon Felicisimo M. Lopez[14]	(direct and indirect[18]) 25,001 Henry Soesanto is the beneficial owner of 1 share	Filipino	0.000%
CEO and Four Most Highly Compensated Officers				
Common	Betty T. Ang	(please see above)	Filipino	(please see above)
Common	Henry Soesanto (CEO)	(please see above)	Indonesian	(please see above)
Common	Rico A. Gonzales	(indirect[18]) 370,000	Filipino	0.002%
Common	Marivic N. Cajucom-Uy	(indirect[18]) 687,800	Filipino	0.004%
Common	Samuel C. Sih	(indirect[18]) 3,600,000	Filipino	0.020%
Other Corporate Officers/Key Executives				
Common	Helen G. Tiu	(indirect[18]) 4,575,000	Filipino	0.026%
Common	Jesse C. Teo	(indirect[18]) 1,682,900	Filipino	0.009%
Common	Michael J. Paska	(indirect[18]) 150,000	American	0.001%
Common	Michael Stanley D. Tan	(indirect[18]) 518,600	Filipino	0.003%
Common	Daniel Teichert	(indirect[18]) 159,700	German	0.001%
Common	Jon Edmarc R. Castillo	(indirect[18]) 65,300	Filipino	0.000%
Common	Katherine C. Lee-Bacus	(indirect[18]) 45,900	Filipino	0.000%
Common	Anne Katherine N. Santos	(indirect[18]) 43,000	Filipino	0.000%
Common	Wendy T. Antioquia	(indirect[18]) 1,093,000	Filipino	0.006%
Common	Melissa C. Pabustan	(indirect[18]) 375,000	Filipino	0.002%
Common	Jocelyn Jones G. So	-	Hong Kong SAR Chinese	0.000%
Common	Luzviminda M. Mercurio	(indirect[18]) 10,000	Filipino	0.000%
Common	Maria Olivia Y. Misa	-	Filipino	0.000%
All Directors and Officers as a group		10,757,535,400		59.862%

(3) Voting Trust Holders of 5% or more

MONDE knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

[12] Shares held through PCD Nominee are deemed indirect shares.
[13] Ms. Anabelle L. Chua has indirect beneficial ownership over the 20,000 shares held through PCD Nominee Corp. in her own name.
[14] Mr. Ramon Felicisimo M. Lopez has indirect beneficial ownership over the 25,000 shares held through PCD Nominee Corp. in his own name.

(4) Changes in Control

No change of control in MONDE has occurred since the beginning of its last calendar year.

Item 12. Certain Relationships and Related Transactions

The Group, in its regular conduct of business, has entered into transactions with associates and other related parties principally comprising advances and reimbursement of expenses, purchase and sale of trade inventory/merchandise, leasing, and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions. Under MONDE's Material Related Party Transactions Policy, the Board oversees the proper implementation of the system for identifying, monitoring, measuring, controlling, and reporting material related party transactions ("**MRPTs**"), in accordance with the requirements of the SEC's Memorandum Circular No. 10 S. of 2019, or the *Rules on Material Related Party Transactions for PLCs*.

Directors, officers and employees are required to promptly disclose any business and family-related transactions with MONDE to ensure that they are at arm's length, under fair terms, and will inure to MONDE's and its shareholders' best interest in accordance with applicable laws and regulations.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

MONDE's Articles of Incorporation, Amended By-Laws, CG Manual, Code of Conduct and Ethics, together with the respective charters of its Board of Directors and the Board Committees, as well as its Company policies, incorporate the principles and best practices of corporate governance embodied in the Revised Corporation Code of the Philippines and the corporate governance-related issuances of the SEC and the PSE.

The Board champions good corporate governance. In line with the principles and recommendations under the SEC's MC No. 19, Series of 2016, or the *Code of Corporate Governance for Publicly-Listed Companies* ("**CG Code**"), the Board has approved the adoption of MONDE's (a) key Board charters to guide its members in the Board's oversight functions, *i.e*., the Board Charter, the Audit Committee Charter, the Risk and Related Party Transactions Committee Charter, the Corporate Governance, Nominations, and Remuneration Committee Charter, and the Executive Committee Charter; (b) CG Manual, and Code of Conduct and Ethics; and (c) other key governance policies (*i.e*., Conflict of Interest, Data Privacy, Prevention of Insider Trading, Whistleblowing, Material Related Party Transactions, Guidelines and Limitations re Engaging External Auditors for Non-Audit Services, Policy Promulgation Guidelines, and Sustainability).

To promote an exchange of diverse viewpoints, the Board comprises nine (9) individuals with a multitude of professional and personal backgrounds. To enhance its ability to perform its oversight function over management, the Board has five (5) non-executive directors. Showing its commitment to gender diversity, MONDE has five (5) female directors as the majority members of its nine (9)-member Board.

In compliance with leading practices on corporate governance, the Board has (a) elected a Chairperson who is a separate person from its President as well as its Chief Executive Officer; (b) created a five-member Executive Committee where at least one director out of its five members is an Independent Director so that the interest of the minority shareholders are safeguarded; and (c) created board oversight committees (*i.e*., Audit Committee, Risk and Related Party Transactions Committee, and Corporate Governance, Nominations, and Remuneration Committee), the members of which are entirely made up of Independent Directors. MONDE has a Lead Independent Director, consistent with the recommendation of the CG Code.

The Board and the Board Committees meet regularly in accordance with the By-Laws and CG Manual to discuss corporate matters as well as to formulate, review, and assess governance controls and procedures. For the year 2024, the Board had six meetings, its Executive Committee had four meetings, its Audit Committee had six meetings, its Risk and Related Party Transactions Committee had two meetings, and its Corporate Governance, Nomination, and Remuneration Committee had three meetings.

In compliance with prevailing SEC regulations and the PSE's disclosure rules, MONDE's structured and unstructured disclosures and other information, as well as its Articles of Incorporation, By-Laws, CG Manual, Code of Conduct and Ethics, the Board and the Board Committee Charters, and key policies, are accessible by investors and the general public through MONDE's website and MONDE's Company's portal in PSE EDGE.

From the effectivity of its CG Manual to the date of this report, there is no known material deviation by MONDE from its CG Manual.

In accordance with the CG Manual, the Board, together with Management, conducted annual trainings on corporate governance for 2024. The Board and MONDE's key executive officers attend compliance and governance trainings by leading service providers (primarily, by the Institute of Corporate Directors and, for the first time, for 2024, the Good Governance Advocates of the Philippines) to keep them abreast with the developments in and/or best practices on good corporate governance, data and cybersecurity, ESG initiatives, financial reporting, and fraud detection and response.

Improvement and Recognition.

Significantly, in 2024, MONDE, as in 2023, was awarded 3 Golden Arrows from the SEC, PSE, and the ICD at the 2024 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards in September 2024. From its very first Integrated Annual Corporate Governance Report (I-ACGR) submission in 2022 for FY 2021, Monde has consistently received 3 Golden Arrows, a testament to its commitment to upholding the essential principles of good corporate governance.

MONDE's Board has also conducted annual self-evaluation exercises in 2022 to 2024 pertaining to the individual Directors, the Board as a body, and its different Committees, and the relationship and interaction between Board and Management to assess and evaluate their respective performance in the governance roles they have been entrusted with.

Professional advisors in the fields of legal, audit/assurance, compensation benchmarking, compliance, risk, and sustainability consulting have been or are being engaged by MONDE, as necessary, to help ensure its compliance with best-in-field practices and that its ESG framework remains robust and current.

MONDE, led by the Board, Management, and the heads of its Audit, Compliance, Legal, and Risk functions, continues to monitor and evaluate policies and operations to ensure compliance with good governance principles.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

Please see the accompanying 2024 Consolidated Audited Financial Statements and Supplementary Schedules (Annex A), 2024 Parent Company Audited Financial Statements and Supplementary Schedules (with BIR ITR Filing Reference) (Annex B), and 2024 Sustainability Report (Annex C).

(b) Reports on SEC Form 17-C

Aside from compliance with periodic reporting requirements, MONDE promptly discloses material and market sensitive information in accordance with the Securities Regulation Code, SEC regulations, and the PSE's Listing and Disclosure Rules.

In 2024, MONDE submitted the following Current Reports on SEC form 17-C and the pertinent PSE Disclosure Form:

	Date of Disclosure	SEC Form	PSE Form	Description
1.	January 22, 2024	SEC Form 17-C	PSE Form 4-31	Press Release on Fourth Quarter Guidance based on Preliminary 2023 Full-year Results

	Date of Disclosure	SEC Form	PSE Form	Description
2.	January 23, 2024	SEC Form 17-C	PSE Form 4-31	Amended Press Release on Fourth Quarter Guidance based on Preliminary 2023 Full-year Results
3.	February 21, 2024	SEC Form 17-C	PSE Form 4-8	Change in Officer – appointment of Mr. Romeo L. Marañon to President of MONDE's subsidiary SMFC
4.	March 22, 2024	SEC Form 17-C	PSE Form 14-1	Notice of FY 2023 Earnings Briefing
5.	April 11, 2024	SEC Form 17-C	PSE Form 6-1	Declaration of Cash Dividends with Notice to Stockholders in relation to the supporting documents that will be required by MONDE for tax classification status claimed by stockholders as the same relates to the applicable taxes to be withheld on the applicable cash dividend distributions
6.	April 11, 2024	SEC Form 17-C	PSE Form 4-30	Board Approval of (i) declaration of regular cash dividend to stockholders of record as of May 10, 2024, and (ii) management's proposal for the change in use of MONDE's IPO proceeds where unused IPO proceeds previously allocated for IPO-related expenses as of December 31, 2023 are to be allocated to Capex for MONDE's APAC BFB Business in 2024
7.	April 11, 2024	SEC Form 17-C	PSE Form 4-30	Earnings Briefing Materials (FY 2023)
8.	April 11, 2024	SEC Form 17-C	PSE Form 4-31	Press Release on FY 2023 Financial Results
9.	April 24, 2024	SEC Form 17-C	PSE Form 14-1	Notice of Q1 2024 Earnings Briefing
10.	May 8, 2024	SEC Form 17-C	PSE Form 4-30	Earnings Briefing Materials (Q1 2024)
11.	May 8, 2024	SEC Form 17-C	PSE Form 4-31	Press Release on Q1 2024 Financial Results
12.	May 17, 2024	SEC Form 17-C	PSE Form 7-1	Notice of 2024 Annual Stockholders' Meeting
13.	June 28, 2024	SEC Form 17-C	PSE Form 4-24	Results of the Annual Stockholders' Meeting
14.	June 28, 2024	SEC Form 17-C	PSE Form 4-25	Results of Organizational Meeting of Board of Directors
15.	June 28, 2024	SEC Form 17-C	PSE Form 4-25	Amended Results of Organizational Meeting of Board of Directors
16.	July 25, 2024	SEC Form 17-C	PSE Form 14-1	Notice of 1H 2024 Earnings Briefing
17.	August 7, 2024	SEC Form 17-C	PSE Form 4-30	Earnings Briefing Materials (1H 2024)
18.	August 7, 2024	SEC Form 17-C	PSE Form 4-31	Press Release on 1H 2024 Financial Results
19.	September 10, 2024	SEC Form 17-C	PSE Form 4-2	Corporate approval for MONDE to subscribe for 87,500 (or expected to be 70%) of the outstanding common shares of Amico Innovations, Inc.
20.	October 23, 2024	SEC Form 17-C	PSE Form 14-1	Notice of 9M 2023 Earnings Briefing
21.	October 25, 2024	SEC Form 17-C	PSE Form 14-1	Amended Notice of 9M 2023 Earnings Briefing
22.	November 6, 2024	SEC Form 17-C	PSE Form 6-1	Declaration of Cash Dividends with Notice to Stockholders in relation to the supporting documents that will be required by MONDE for tax classification status claimed by stockholders as the same relates to the applicable taxes to be withheld on the applicable cash dividend distributions
23.	November 7, 2024	SEC Form 17-C	PSE Form 4-30	Earnings Briefing Materials (9M 2024)
24.	November 7, 2024	SEC Form 17-C	PSE Form 4-31	Press Release on 9M 2024 Financial Results
25.	December 19, 2024	SEC Form 17-C	PSE Form 4-8	Change in Officer – appointment of Mr. Michael J. Paska as new Chief Risk Management Officer in

	Date of Disclosure	SEC Form	PSE Form	Description
				addition to Chief Investor Relations Officer function

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, at the place and on the date indicated below.

By:

Henry Soesanto
Chief Executive Officer and
Executive Vice President

Jesse C. Teo
Chief Financial Officer

Enrico Manuel Peñas
Accounting Controller

Helen G. Tiu
Corporate Secretary

REPUBLIC OF THE PHILIPPINES }
MAKATI CITY } ss.

SUBSCRIBED AND SWORN TO before me this APR 14 2025 at the place stated above, affiant(s) exhibiting to me their respective competent evidences of identity, as follows:

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE OF ISSUANCE	PLACE OF ISSUANCE
Henry Soesanto	Indonesian Passport No. E4558427	March 1, 2024 Valid until March 1, 2034	KBRI Manila
Jesse C. Teo	Philippine Passport No. P0044240B	December 27, 2018 Valid until December 26, 2028	DFA NCR West
Helen G. Tiu	Pag-IBIG MID No. 1212-0257-2480	-	-
Enrico Manuel Peñas	Philippine Passport No. P7677114A	June 26, 2018 Valid until June 25, 2028	DFA NCR East

ATTY. GARNY-LUISA S. ALEGRE
Notary Public for Makati City
Appointment No. M/270 until December 31, 2026
Roll of Attorneys No. 53666
PTR No. 10466479MN/ 1-03-2025/Makati City
IBP No. 480877/12-04-2024
Roll No. 53666/Albay Chapter
MCLE Compliance No. VIII-0007515 valid until April 14, 2028
21st Floor, 6750 Office Tower, Ayala Avenue
Makati City, 1226 Metro Manila, Philippines

Doc. No. 40;
Page No. 9;
Book No. III;
Series of 2025.

ANNEX A

2024 Consolidated Audited Financial Statements and Supplementary Schedules

Monde Nissin

MONDE NISSIN CORPORATION
Felix Reyes Street,
Barangay Balibago
City of Santa Rosa, Laguna
4026 Philippines

Tel.: (+632) 7759.7500
Fax: (+632) 8810.9207
www.mondenissin.com

THE SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village, Barangay Bel-Air
Makati City, 1209 Philippines

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **MONDE NISSIN CORPORATION** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Henry Soesanto
Acting Chairman of the Board

Henry Soesanto
Chief Executive Officer

Jesse Teo
Chief Financial Officer

Enrico Peñas
Head of Finance Shared Services

Signed this 10th day of April of 2025

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN to before me this APR 10 2025 at the place stated above, affiants exhibiting to me their respective competent evidence of identity, as follows:

Name	Competent Evidence of Identity	Date/Place of Issue
Henry Soesanto	SSS No. 33-3066285-6	
Jesse C. Teo	Driver's License No. N04-88090860	October 23, 2033
Enrico Penas	Passport No. P7677114A	June 26, 2028; DFA NCR West

Doc. No. 36 ;
Page No. 9 ;
Book No. III .
Series of 2025.

ATTY. GARRY-LUISA S. ALEGRE
Notary Public for Makati City
Appointment No. M-270 until December 31, 2023
Roll of Attorneys No. 53666
PTR No. 10466479MN/ 1-03-2025/Makati City
IBP No. 480877/12-04-2024
MCLE Compliance No. VIII-0007515 valid until April 14, 2028
21st Floor, 6750 Office Tower, Ayala Avenue
Makati City, 1226 Metro Manila, Philippines

C O V E R S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						8	6	3	3	5

C O M P A N Y N A M E

MONDE NISSIN CORPORATION AND
SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

FELIX REYES ST., BARANGAY
BALIBAGO, CITY OF SANTA ROSA,
LAGUNA

Form Type	Department requiring the report	Secondary License Type, If Applicable
ACFS	CRMD	N/A

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
www.mondenissin.com	810-3550	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
24	Last Friday of June	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Enrico Peñas	mnc-sec.communications @mondenissin.com	+632 7759-7519	+63 917 166 4708

CONTACT PERSON'S ADDRESS

Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Monde Nissin Corporation
Felix Reyes St., Barangay Balibago
City of Santa Rosa, Laguna

Opinion

We have audited the consolidated financial statements of Monde Nissin Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Property, Plant and Equipment and Brand

Under Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, the Group is required to test for impairment brand with indefinite useful life on an annual basis and property, plant and equipment with indicators of impairment at the end of each reporting period. This impairment test was significant to our audit because the balances of property, plant and equipment amounting to ₱25.5 billion and brand with indefinite life amounting to ₱4.5 billion as at December 31, 2024 are material to the consolidated financial statements. In addition, management's assessment process is complex and highly judgmental and is based on assumptions which are subject to higher level of estimation uncertainty, specifically short-term and long-term growth rates applied to revenue and EBITDA, and the discount rate applied.

The related disclosures on the Group's property and equipment and brand are included in Notes 3, 12, 13 and 26 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the recoverable amounts of the cash-generating units (CGUs) for brands with indefinite life and property, plant and equipment. These assumptions include short-term and long-term growth rates applied to revenue and EBITDA, and the discount rate applied. We have assessed the forecasts and assumptions, agreeing them to budgets approved by the Board of Directors and comparing them to actual results and forecasts of industry growth rates published by independent analysts. We performed an independent assessment of the discount rate assumptions determined by management. The assumptions underlying the discount rate calculation were benchmarked against comparative market data. In assessing the discount rate, we reviewed the underlying cash flows and considered the risks inherent in the cash flows. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment and brand with indefinite useful life.

Valuation of Guaranty Asset

The Group has guaranty asset amounting to ₱8.1 billion as at December 31, 2024. The initial recognition of the guaranty asset is recognized as an equity transaction under "Equity Reserve", while subsequent changes in fair value is recognized in profit or loss. The valuation of the guaranty asset involves significant management judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically forecasted price of the shares serving as collateral over the guaranty, historical volatility for similar companies of Parent Company and Monde Nissin (UK) Limited (MNUKL), interest rate curve, and aggregate impairment on MNSPL Monde Nissin Singapore Pte. Ltd. (MNSPL).

The related disclosures on the Group's guaranty asset are included in Notes 3, 10, 23 and 26 to the consolidated financial statements.

Audit Response

We involved our internal specialists in evaluating the valuation model and the assumptions used in the valuation of the guaranty asset at inception date and at year-end. These assumptions include forecasted collateral value; historical volatility for similar companies of Parent Company and Monde Nissin (UK) Limited (MNUKL), interest rate curve, and aggregate impairment on MNSPL Monde Nissin Singapore Pte. Ltd. (MNSPL). We performed an independent assessment of the discount rate assumptions determined by management. The assumptions underlying the discount rate calculation were benchmarked against comparative market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the valuation is most sensitive; specifically, those that have the most significant effect on the determination of the fair value of the guaranty asset.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Sheet), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and
- Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law on regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Roel E. Lucas.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10465323, January 2, 2025, Makati City

April 10, 2025

MONDE NISSIN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱14,158,203**	₱16,678,888
Trade and other receivables (Note 6)	**7,709,717**	6,410,138
Inventories (Note 7)	**8,920,788**	9,186,527
Prepayments and other current assets (Note 8)	**1,326,147**	1,099,674
Current financial assets (Notes 9 and 23)	**1,812,489**	2,714,363
Total Current Assets	**33,927,344**	36,089,590
Noncurrent Assets		
Noncurrent receivables (Notes 9 and 23)	**1,320,296**	–
Guaranty asset (Notes 10, 18 and 23)	**8,128,814**	10,432,256
Financial assets at fair value through other comprehensive income (FVOCI) (Note 10)	**813,971**	600,701
Investments in associates and joint ventures (Note 11)	**1,133,847**	1,125,054
Property, plant and equipment (Note 12)	**25,506,662**	25,155,720
Intangible assets (Note 13)	**5,456,069**	8,812,834
Deferred tax assets - net (Note 24)	**1,007,502**	936,965
Other noncurrent assets (Note 14)	**792,243**	941,539
Total Noncurrent Assets	**44,159,404**	48,005,069
	₱78,086,748	₱84,094,659

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 15)	**₱12,550,324**	₱11,684,310
Acceptances and trust receipts payable (Notes 7 and 16)	**1,608,501**	1,607,336
Refund liabilities (Note 15)	**378,784**	406,677
Current portion of loans payable (Note 17)	**364,239**	1,200,251
Current portion of lease liabilities (Note 25)	**77,620**	89,121
Dividends payable (Note 18)	–	2,156,233
Income tax payable	**557,803**	590,874
Total Current Liabilities	**15,537,271**	17,734,802
Noncurrent Liabilities		
Loans payable (Note 17)	**2,842,396**	3,733,776
Lease liabilities (Note 25)	**2,522,145**	2,593,746
Pension liability (Note 22)	**1,284,907**	1,007,247
Derivative liability (Note 26)	**288,604**	106,406
Deferred tax liabilities - net (Note 24)	**32,267**	381,737
Other noncurrent liabilities	**40,256**	38,557
Total Noncurrent Liabilities	**7,010,575**	7,861,469
Total Liabilities *(Carried Forward)*	**22,547,846**	25,596,271

(Forward)

	December 31	
	2024	2023
Total Liabilities *(Brought Forward)*	**₱22,547,846**	₱25,596,271
Equity		
Capital stock (Note 18)	**₱8,984,306**	₱8,984,306
Additional paid-in capital (Note 18)	**39,361,947**	39,361,947
Retained earnings (Note 18):		
Appropriated	**211,452**	211,452
Unappropriated	**1,095,599**	5,321,590
Fair value reserve of financial assets at FVOCI (Note 10)	**(349,967)**	(563,237)
Remeasurement losses on pension liability (Note 22)	**(595,305)**	(525,874)
Equity reserve (Notes 18 and 26)	**8,491,129**	8,491,788
Cumulative translation adjustments (Note 18)	**(1,832,647)**	(2,893,488)
Equity Attributable to Equity Holders of the Parent Company	**55,366,514**	58,388,484
Non-controlling Interests (Note 4)	**172,388**	109,904
Total Equity	**55,538,902**	58,498,388
	₱78,086,748	₱84,094,659

See accompanying Notes to Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Years Ended December 31		
	2024	2023	2022
NET SALES (Note 19)	**₱83,120,056**	₱80,169,467	₱73,880,709
COST OF GOODS SOLD (Notes 7 and 19)	**54,430,389**	55,441,703	50,920,755
GROSS PROFIT	**28,689,667**	24,727,764	22,959,954
SALES, GENERAL AND ADMINISTRATIVE EXPENSES			
General and administrative expenses (Note 20)	**8,353,218**	7,775,036	7,587,747
Selling and distribution expenses (Note 20)	**7,657,013**	7,037,765	7,496,354
Impairment loss - net (Notes 11, 12, 13, and 20)	**6,795,930**	13,271,654	21,373,638
	22,806,161	28,084,455	36,457,739
	5,883,506	(3,356,691)	(13,497,785)
OTHER INCOME (EXPENSES)			
Fair value gain (loss) on:			
Guaranty asset (Note 10)	**(2,648,829)**	1,301,750	–
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	**81,960**	92,600	22,380
Share in net earnings (losses) of associates and joint ventures (Note 11)	**55,504**	35,552	(12,608)
Foreign exchange gains - net (Notes 4 and 17)	**25,004**	80,406	422,117
Dividend income (Note 10)	**22,147**	22,147	–
Miscellaneous income (Note 21)	**185,614**	209,518	141,871
	(2,278,600)	1,741,973	573,760
INCOME (LOSS) BEFORE FINANCE INCOME (EXPENSES)	**3,604,906**	(1,614,718)	(12,924,025)
FINANCE INCOME (EXPENSES)			
Finance costs (Note 21)	**(738,599)**	(681,359)	(416,525)
Finance income (Note 21)	**579,277**	428,114	148,596
Derivative gain (Note 26)	**65,869**	20,833	1,306,391
	(93,453)	(232,412)	1,038,462
INCOME (LOSS) BEFORE INCOME TAX	**3,511,453**	(1,847,130)	(11,885,563)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)			
Current	**3,365,114**	2,801,172	2,428,492
Deferred	**(303,179)**	(4,021,724)	(1,299,539)
	3,061,935	(1,220,552)	1,128,953
NET INCOME (LOSS)	**₱449,518**	(₱626,578)	(₱13,014,516)

(Forward)

	Years Ended December 31		
	2024	2023	2022
NET INCOME (LOSS)	**₱449,518**	(₱626,578)	(₱13,014,516)
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit and loss in subsequent periods:			
Exchange gains (losses) on foreign currency translation (including effective portion of the net investment hedge) (Notes 18 and 26)	**1,060,841**	581,492	(691,727)
Other comprehensive income (loss) not to be reclassified to profit and loss in subsequent periods:			
Fair value gain (loss) on financial assets at FVOCI (Note 10)	**213,270**	(328,107)	–
Remeasurement gain (loss) on defined benefit plans (Note 22)	**(91,092)**	(414,960)	126,789
Income tax effect	**21,753**	99,806	(48,321)
Other comprehensive income (loss) - net of tax	**1,204,772**	(61,769)	(613,259)
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱1,654,290**	(₱688,347)	(₱13,627,775)
Net income (loss) attributable to:			
Equity holders of the Parent Company	**₱445,848**	(₱636,408)	(₱13,020,512)
Non-controlling interests	**3,670**	9,830	5,996
	₱449,518	(₱626,578)	(₱13,014,516)
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	**₱1,650,528**	(₱698,092)	(₱13,633,781)
Non-controlling interests	**3,762**	9,745	6,006
	₱1,654,290	(₱688,347)	(₱13,627,775)
Earnings (loss) per Share (EPS) (Note 18)			
Income (loss) attributable to equity holders of the parent	**₱0.02**	(₱0.04)	(₱0.72)

See accompanying Notes to Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent Company										
			Retained Earnings (Deficit) (Note 18)								
	Capital Stock (Note 18)	**Additional Paid-in Capital** (Note 18)	**Appropriated**	**Unappropriated**	**Fair Value Reserve of Financial Assets at FVOCI** (Note 10)	**Remeasurement Losses on Pension Liability** (Note 22)	**Equity Reserve** (Notes 10 and 18)	**Cumulative Translation Adjustments** (Note 18)	**Total**	**Non-controlling Interests** (Notes 4 and 18)	**Total Equity**
Balance as at January 1, 2024	**₱8,984,306**	**₱39,361,947**	**₱211,452**	**₱5,321,590**	**(₱563,237)**	**(₱525,874)**	**₱8,491,788**	**(₱2,893,488)**	**₱58,388,484**	**₱109,904**	**₱58,498,388**
Net income	–	–	–	**445,848**	–	–	–	–	**445,848**	**3,670**	**449,518**
Other comprehensive income (loss), net of tax	–	–	–	–	**213,270**	**(69,431)**	–	**1,060,841**	**1,204,680**	**92**	**1,204,772**
Total comprehensive income (loss)	–	–	–	**445,848**	**213,270**	**(69,431)**	–	**1,060,841**	**1,650,528**	**3,762**	**1,654,290**
Equity reserve arising from noninterest-bearing loan (Notes 9 and 18)	–	–	–	–	–	–	**(659)**	–	**(659)**	–	**(659)**
Acquisition during the year (Note 4)	–	–	–	–	–	–	–	–	–	**58,722**	**58,722**
Dividends (Note 18)	–	–	–	**(4,671,839)**	–	–	–	–	**(4,671,839)**	–	**(4,671,839)**
Balance as at December 31, 2024	**₱8,984,306**	**₱39,361,947**	**₱211,452**	**₱1,095,599**	**(₱349,967)**	**(₱595,305)**	**₱8,491,129**	**(₱1,832,647)**	**₱55,366,514**	**₱172,388**	**₱55,538,902**
Balance as at January 1, 2023	₱8,984,306	₱46,515,847	₱5,211,452	(₱4,039,669)	(₱235,130)	(₱210,805)	(₱622,335)	(₱3,474,980)	₱52,128,686	₱142,498	₱52,271,184
Net income (loss)	–	–	–	(636,408)	–	–	–	–	(636,408)	9,830	(626,578)
Other comprehensive income (loss), net of tax	–	–	–	–	(328,107)	(315,069)	–	581,492	(61,684)	(85)	(61,769)
Total comprehensive income (loss)	–	–	–	(636,408)	(328,107)	(315,069)	–	581,492	(698,092)	9,745	(688,347)
Day 1 adjustment from initial recognition of guaranty asset at fair value (Note 10)	–	–	–	–	–	–	9,104,076	–	9,104,076	–	9,104,076
Equity restructuring (Note 18)	–	(7,153,900)	–	7,153,900	–	–	–	–	–	–	–
Acquisition during the year (Note 4)	–	–	–		–	–	10,047	–	10,047	(42,339)	(32,292)
Release of appropriation (Note 18)	–	–	(5,000,000)	5,000,000	–	–	–	–	–	–	–
Dividends (Note 18)	–	–		(2,156,233)	–	–	–	–	(2,156,233)	–	(2,156,233)
Balance as at December 31, 2023	₱8,984,306	₱39,361,947	₱211,452	₱5,321,590	(₱563,237)	(₱525,874)	₱8,491,788	(₱2,893,488)	₱58,388,484	₱109,904	₱58,498,388
Balance as at January 1, 2022	₱8,984,306	₱46,515,847	₱4,095,257	₱12,612,644	(₱235,130)	(₱289,263)	(₱622,335)	(₱2,783,253)	₱68,278,073	₱137,507	₱68,415,580
Net income	–	–	–	(13,020,512)	–	–	–	–	(13,020,512)	5,996	(13,014,516)
Other comprehensive income, net of tax	–	–	–	–	–	78,458	–	(691,727)	(613,269)	10	(613,259)
Total comprehensive income	–	–	–	(13,020,512)	–	78,458	–	(691,727)	(13,633,781)	6,006	(13,627,775)
Appropriation during the year (Note 18)	–	–	5,167,000	(5,167,000)	–	–	–	–	–	–	–
Release of appropriation (Note 18)	–	–	(4,050,805)	4,050,805	–	–	–	–	–	–	–
Dividends (Note 18)	–	–	–	(2,515,606)	–	–	–	–	(2,515,606)	(1,015)	(2,516,621)
Balance as at December 31, 2022	₱8,984,306	₱46,515,847	₱5,211,452	(₱4,039,669)	(₱235,130)	(210,805)	(₱622,335)	(3,474,980)	₱52,128,686	₱142,498	₱52,271,184

See accompanying Notes to Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	**₱3,511,453**	(₱1,847,130)	(₱11,885,563)
Adjustments to reconcile income (loss) before income tax to net cash flows:			
Impairment loss - net (Notes 11, 12, 13 and 20)	**6,795,930**	13,271,654	21,373,638
Depreciation and amortization (Notes 12, 13, 19, 20 and 21)	**2,687,921**	2,771,966	2,713,662
Fair value gain (loss) on guaranty asset (Note 10)	**2,648,829**	(1,301,750)	–
Finance costs (Notes 16, 17, 21 and 25)	**738,599**	681,359	416,525
Finance income (Notes 5, 9 and 21)	**(579,277)**	(428,114)	(148,596)
Movement in pension liability (Notes 19, 20 and 22)	**192,182**	85,874	(17,236)
Unrealized foreign exchange loss (gain) - net	**(102,874)**	(38,535)	14,382
Fair value gain on financial assets at FVTPL (Note 9)	**(81,960)**	(92,600)	(22,380)
Derivative gain (Note 26)	**(65,869)**	(20,833)	(1,306,391)
Share in net losses (gain) of associates and joint venture (Note 11)	**(55,504)**	(35,552)	12,608
Loss (gain) on sale of property, plant and equipment	**3,503**	(26,116)	(18,484)
Loss on retirement of intangibles (Note 13)	**47**	–	–
Working capital adjustments:			
Decrease (increase) in:			
Trade and other receivables	**(1,098,761)**	464,583	(430,511)
Inventories	**265,739**	1,692,043	(2,306,207)
Prepayments and other current assets	**(226,473)**	169,535	499,948
Increase (decrease) in:			
Accounts payable and other current liabilities	**1,250,558**	470,318	355,342
Refund liabilities	**(27,893)**	206,237	(103,438)
Acceptance and trust receipts payable	**10,163**	(723,774)	(1,429,685)
Net cash generated from operations	**15,866,313**	15,299,165	7,717,614
Income tax paid	**(3,398,185)**	(2,420,129)	(2,356,503)
Interest received	**568,505**	412,209	122,223
Net cash flows from operating activities	**13,036,633**	13,291,245	5,483,334
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Notes 12 and 28)	**(4,823,143)**	(3,641,270)	(4,432,230)
Current financial assets (Note 9)	**(3,459,263)**	(3,871,363)	(2,586,197)
Noncurrent receivables (Notes 9 and 27)	**(1,209,918)**	–	–
Intangible assets (Note 13)	**(115,885)**	(81,130)	(75,901)
Financial assets at FVOCI (Note 10)	**–**	(928,808)	–
Investment in associates and joint venture (Note 11)	**–**	–	(49,600)
Proceeds from:			
Disposal of current financial assets (Note 9)	**3,760,823**	3,672,926	851,995
Collection of loans (Note 27)	**500,000**	–	–
Sale of property, plant and equipment (Note 12)	**77,032**	45,057	31,250
Decrease (increase) in other noncurrent assets	**147,752**	40,531	193,002
Dividends from an associate (Note 11)	**25,825**	14,951	25,485
Net cash flows used in investing activities	**(5,096,777)**	(4,749,106)	(6,042,196)

(Forward)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments for):			
Cash dividends (Note 18)	**(₱6,828,072)**	₱–	(₱2,516,621)
Payment of loans (Note 17)	**(2,016,573)**	(3,623,216)	(8,758,046)
Principal portion of lease liabilities (Note 25)	**(1,325,800)**	(332,604)	(255,410)
Interest	**(516,792)**	(452,509)	(127,045)
Availment of loans (Note 17)	**84,315**	917,838	9,036,880
Derivatives (Note 26)	**65,869**	20,833	919,859
Noncontrolling interest for investment in subsidiary (Note 4)	**58,722**	(32,292)	–
Increase in other noncurrent liabilities	**1,699**	1,884	16,248
Net cash flow used in financing activities	**(10,476,632)**	(3,500,066)	(1,684,135)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(2,536,776)**	5,042,073	(2,242,997)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**16,091**	8,188	14,810
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**16,678,888**	11,628,627	13,856,814
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱14,158,203**	₱16,678,888	₱11,628,627

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Number of Shares, Earnings Per Share Value and Unless Otherwise Specified)

1. General Information

Monde Nissin Corporation (the Parent Company or MNC) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 23, 1979 primarily to engage in manufacturing, processing, baking, packaging, servicing, repacking, assembling, importing, exporting, buying, selling, trading or otherwise dealing in all kinds of goods, wares and merchandises, which are or may become articles of commerce such as but not limited to noodles, candies, confectionaries, biscuits, cakes and other foods, drugs and cosmetics. In furtherance of said primary purpose, it is authorized to guarantee obligations of and act as surety for the loans and obligations of its subsidiaries and affiliates and/or to secure the same by mortgage, pledge of any assets of MNC as may be authorized by its Board of Directors (BOD), provided MNC does not operate as a lending or financing company. The Parent Company received approval from the SEC and Philippine Stock Exchange, Inc. (PSE) in April 2021 to list up to 17,968,611,496 common shares, completing its IPO and listing under the symbol “Monde” on June 1, 2021, and is now subject to the Revised Securities Regulation Code (SRC) Rule 68. The Parent Company and its subsidiaries are collectively referred to as the “Group” (see Note 4).

On March 1, 2021, at least a majority of the members of the BOD of the Parent Company and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company approved certain amendments to the Parent Company’s Articles of Incorporation (AOI) including the following: (a) include “noodles” in the articles of commerce that the Parent Company may manufacture, process, service, package, re-package, import, export, buy, sell, trade, or otherwise deal in; (b) amend the term of corporate existence from 50 years to a “perpetual corporate term unless the SEC issues a certificate providing otherwise”; (c) increase the number of directors of the Parent Company from 7 to 9; and (d) amend the authorized number of shares to 20,400,000,000 common shares with a par value of ₱0.50 per share from the par value of ₱1.00 per share. These amendments in the Parent Company’s AOI were approved by the SEC on April 7, 2021.

The Parent Company’s principal place of business is at Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna.

The consolidated financial statements were reviewed and recommended for approval by the Audit Committee on April 10, 2025. On the same date, the BOD also approved and authorized the issuance of the consolidated financial statements.

2. Basis of Preparation and Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the

Group's functional and presentation currency. All values are rounded to the nearest thousands, except when otherwise indicated.

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify that:
  - Only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - Classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - Only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback* – The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements* – The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2025
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group applied the materiality guidance in its 2024 accounting policy disclosures.

Basis of Consolidation and Non-controlling Interests
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31 each year and for the years then ended. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interest acquired is recognized as part of "Equity reserve" account in the equity attributable to the equity holders of the Parent Company.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and OCI and the net assets not held by the Parent Company and are presented separately in the consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence, generally ownership of 20% to 49%. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, investments in associates and joint ventures are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor tested for impairment separately.

The consolidated profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The Group's share of profit or loss of an associate or joint venture is shown on the consolidated profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. If the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as "Share in net earnings (losses) of associates and joint venture" in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

<u>Financial Instruments</u>
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cashflows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The financial assets of the Group as at December 31, 2024 and 2023 consist of financial assets at amortized cost, financial assets at FVTPL and financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, trade and other receivables, loans receivable recorded under the "Current financial assets" account in the consolidated statement of financial position in 2024, noncurrent receivables and advances to employees recorded under "other noncurrent assets" in the consolidated statement of financial position.

Financial assets at FVTPL
Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognize in the consolidated statement of profit and loss.

The category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

Financial assets designated at FVOCI (equity instruments)
Financial assets at FVOCI are subsequently measured using cash flow projection of the investee (income approach), quoted price, and last transaction price. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statements of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Impairment of Financial Assets. The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cashflows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Trade receivables are written off when there is no reasonable expectation of recovery.

For other financial assets such as nontrade receivables and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk (SICR) since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been SICR since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from reputable credit rating agencies to determine whether the debt instrument has SICR and to estimate ECLs.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a SICR for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed SICR since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Staging assessment
PFRS 9 establishes a three-stage approach for impairment of financial assets, based on whether there has been SICR of a financial asset. Three stages then determine the amount of impairment to be recognized.

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced SICR since initial recognition. Entities are required to recognize 12-month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of default occurring on the financial instrument as at the reporting date, with the risk of default occurring on the financial instrument at the date of initial recognition.

- Stage 2 is comprised of all non-financial instruments which have experienced SICR since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer SICR since initial recognition, then entities shall revert to recognizing 12-month ECL.

- Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with negative impact on the estimated future cash flows of a financial instrument or portfolio of financial instruments. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

b. Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied.

This category applies to the Group's derivative liabilities.

Financial liabilities at amortized cost (loans and borrowings)
After initial measurement, other financial liabilities are measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when other financial liabilities are derecognized, as well as through the EIR amortization process.

This category applies to the Group's accounts payable and other current liabilities (excluding statutory payables), acceptance and trust receipts payable and loans payable.

Exchange or modification of financial liabilities. The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.
If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Embedded derivatives
An embedded derivative is a component of a hybrid contract that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as either at amortized cost or at FVTPL depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held.

The Group has structured deposits and dual currency investments that fail the SPPI test and are recognized as financial assets at FVTPL.

Derivative Financial Instruments and Hedge Accounting

The Group engages in derivative transactions such as dual currency investment, structured note, binary note, guaranty asset, cross currency swaps (CCS) and USD / PHP Call Option with European Knockout Option (EKO) to manage its foreign currency, interest rate and other financial risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets where their fair value is positive and as liabilities when their fair value is negative.

The Group applies hedge accounting for transactions that meet specified criteria. At inception of the hedge relationship, the Group formally designates and documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and how the Group will assess whether the hedging relationship meets the effectiveness requirements (including analysis of the sources of ineffectiveness and how the hedge ratio is determined) that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity hedged item.

Cashflow hedges. Under a cashflow hedge, the effective portion of the gain or loss on the hedging instrument is recognized in the cashflow hedge reserve in OCI, while any ineffective portion is recognized immediately in profit or loss. The cashflow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or the carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in the OCI for the period. For any other cashflow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cashflows offset profit or loss.

Hedges of a net investment. Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI, while any gains or losses relating to the ineffective portion are recognized in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statement of comprehensive income.

Guaranty Asset. The fair value of the guaranty asset at initial recognition is determined using Monte Carlo Simulation as the option pricing model. As the transaction is between entities under common control, the difference in fair value on the initial recognition of the guaranty asset is accounted for as an equity transaction, i.e., as a contribution of equity, recognized in equity under "Equity Reserve". Any subsequent changes in the fair value of the guaranty asset are recognized in profit or loss.

<u>Inventories</u>
Inventories are valued at the lower of cost and net realizable value (NRV).

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials and packaging materials – purchase cost on a first-in, first-out basis;
- In-transit – purchase cost;
- Finished goods and work in-process – cost of direct materials, labor and a proportion of manufacturing overhead costs based on normal operating capacity and determined based on weighted average method.

NRV for finished goods, work in-process and in-transit inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. NRV for raw materials and packaging materials is the current replacement cost.

Prepayments and Other Current Assets

Input Value-added Tax (VAT). Input VAT represents VAT imposed on the Group by its suppliers and contractors for the acquisition of goods and services required under the tax laws and regulations. Input VAT is recognized as an asset and will be used to offset against the Group's current output VAT liabilities. Input VAT is stated at its recoverable amount.

Deferred input VAT represents the input VAT related to the unpaid portion of the cost of services and unamortized input VAT related to acquisitions of capital goods.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statement of financial position.

Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and any accumulated impairment losses. The initial cost of property, plant and equipment, consists of its purchase price including import duties and other costs directly attributable in bringing the asset to its working condition and location for its intended use. Cost also includes the cost of replacing the part of such property, plant and equipment when the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Land improvements	20 years
Buildings and improvements	10–55 years
Right-of-use (ROU) assets	20-25 years or term of lease, whichever is shorter
Leasehold improvements	20 years or term of the lease, whichever is shorter
Plant machinery and fixtures	5–55 years
Office furniture and equipment	3–5 years
Transportation equipment	4–5 years
Computer and communications equipment	3–5 years

The useful life of each of the Group's property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property, plant and equipment's residual values, useful lives and depreciation and amortization methods are reviewed at each reporting period, and adjusted prospectively, if appropriate.

Machineries-under-installation and construction in-progress represent properties under construction and are stated at cost, net of accumulated impairment losses if any. These include cost of construction and other direct costs. Machineries-under-installation and construction in-progress are not depreciated until such time that the relevant assets are completed and put into operational use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

Fully depreciated property, plant and equipment are retained in the accounts until these are no longer in use.

The Group classifies ROU assets as part of property, plant and equipment. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. ROU assets are subject to impairment.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as of the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized using the straight-line method over the following useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired:

Distribution rights	20 years
License	10 years
Trademarks	7–10 years
Software	3–10 years

The amortization period and method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Impairment of Nonfinancial Assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset or CGU's fair value less costs of disposal (FVLCD) and its value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Any impairment loss is recognized in profit or loss in the expense category consistent with the function of the impaired asset.

For noncurrent financial assets excluding guaranty asset, goodwill and brand with indefinite useful life, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment have been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill and brand with indefinite life is tested for impairment annually as at December 31, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually as at December 31, either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has assessed and concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Sale of Goods. Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

- *Variable Consideration.* If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of the Group's goods provide customers with a right of return within a specified period. The rights of return give rise to variable consideration.

  - *Rights of Return.* The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price).

  - *Sales discount.* The Group's contracts with customers generally provide customers with discounts (presented as deduction from "Sales"). The Group uses most likely amount method to estimate the amount of expected future rebates for distribution discounts. A refund liability is recognized for the expected future sales discount (i.e., the amount not included in the transaction price).

- *Consideration payable to customers.* Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to the customers (e.g., slotting fees, electronic data interchange (EDI) subscription, dealer support). The consideration payable to a customer is accounted as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct goods or services that the customer transfers to the Group.

Refund liabilities. A refund liability is recognized for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from its customers' right of return and sales discount. The liability is measured at the amount the Group ultimately expects it will have to return to the customer and distribution discounts to be granted. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Cost of goods sold, sales, general and administrative expenses and interest expense are recognized in profit or loss in the period these are incurred.

Foreign Currency Translations

The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All subsidiaries and associates evaluate their primary economic and operating environment and, determine their functional currency and items included in the financial statements of each entity are initially measured using that functional currency.

Transactions and Balances. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rate prevailing on the period of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rate of exchange prevailing at the financial reporting date.

All differences are recognized in the consolidated statement of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized in OCI until the investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on these monetary items are also recognized in OCI.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group Companies. The Philippine peso is the currency of the primary economic environment in which the Parent Company and all other subsidiaries and associates operate, except for the following:

	Functional Currency
Subsidiaries:	
Monde Nissin Singapore Pte Ltd (MNSPL)	Pound Sterling
Monde Nissin (UK) Limited (MNUKL)	Pound Sterling
Marlow Foods Limited (MFL)	Pound Sterling
Quorn Smart Life GmbH	European Euro
Quorn Foods Inc	United States Dollar
Cauldron Foods Ltd	Pound Sterling
Quorn Foods Ltd	Pound Sterling
Quorn Foods Sweden AB	Swedish Krona
Monde Nissin New Zealand Limited (MNNZ)	New Zealand Dollar
Monde Nissin Holding (Thailand) Limited (MNHTL)	Thai Baht
Monexco International Limited (MIL)	Thai Baht
Monde Nissin (Thailand) Company Limited (MNTH)	Thai Baht
Da Sun Holdings Pte. Ltd. (DSHPL)	Singapore Dollar
Sun Operation Co., Ltd.	Thai Baht
Monde Nissin International Investments Ltd (MNIIL)	United States Dollar

The financial statements of the consolidated subsidiaries and associates with functional currency other than the Philippine peso are translated to Philippine peso as follows:

- Assets and liabilities using the spot rate of exchange prevailing at the financial reporting date;
- Components of equity using historical exchange rates; and
- Income and expenses using the monthly weighted average exchange rate.

The exchange differences arising on the translation are recognized as other comprehensive income (loss). Upon disposal of any of these subsidiaries and associates, the deferred cumulative amount recognized in "Cumulative translation adjustments" relating to that particular subsidiary will be reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Employee Benefits
Defined Benefit Plan. The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not re-classified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Earnings (loss) per share (EPS)
Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company (after adjusting for interest on the convertible note) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as interest expense. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contact, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Events after Reporting Period
Post year-end events that provide additional information about the Group's financial position at the end of reporting period (adjusting events), if any, are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Material Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, costs and expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have the most material effect on the amounts recognized in the consolidated financial statements:

Determination of method to estimate variable consideration and assessing the constraint. The Group's contracts with customers include a right of return and sales discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the revenue with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for sales discounts, the Group determined that using the most likely amount method is appropriate, given that these contracts have single volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Determination of lease term of contracts with renewal and termination options – Group as a lessee. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group expects to exercise its right to renew the lease of real estate properties where its facilities are located; hence, has included the renewal period as part of the lease term.

Assessing Useful Life of Brand. Brand pertains to the distinctive name of the businesses acquired by the Group to promote its products from those other entities (see Note 13).

Based on the Group's analysis of all the relevant factors on brand, there is no foreseeable limit to the period over which the business is expected to generate net cash inflows for the Group and therefore, these were assessed to have an indefinite life.

Presentation of Day 1 Adjustment on Guaranty Asset. The guaranty asset is a transaction between entities under common control since the parties to the transaction are controlled by the same shareholders. As a result, the Day 1 adjustment is recognized in equity under "Equity Reserve", with the subsequent changes in the fair value recognized in profit or loss (see Notes 10, 18 and 26).

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities are discussed below. The Group based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing

circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the Group's control. Such changes are reflected in the assumptions when they occur.

Impairment of Non-Financial Assets. The Group performs impairment review of non-financial assets with indefinite useful life (goodwill, brand and trademark) on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the VIU of the CGUs to which goodwill, brand and trademark are allocated. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset flows. The impairment on the goodwill, brand and trademark and license is determined by comparing: (a) the carrying amount of the CGU to which these assets have been allocated; and (b) the present value of the annual projected cash flows for five years and terminal value computed under the discounted cash flow method. The recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections which were based on financial budgets approved by senior management of the Group covering a five-year period. VIU is most sensitive to changes in growth rates and discount rates. These estimates are most relevant to goodwill and other intangible assets with indefinite useful lives recognized by the Group.

With regards to the assessment of VIU, management believes that no reasonably possible change in any of the key assumptions would result to a materially different calculation.

Impairment exists when carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of FVLCD and its VIU.

a. *Goodwill and Brand.* An impairment was made following a review of the performance of the business of MNUKL, its future expectations and overall economic conditions. The Group determined that the recoverable amount of the Group's intangible assets in MNUKL is based on VIU calculation using cash flow projection from financial budgets approved by management covering a 5-year period:

   - *Revenue growth* – Sales revenue is assumed to increase an average of 3.20% each year from 2025 to 2029, an average of 4.30% each year from 2024 to 2028 and an average of 5.60% each year from 2023 to 2027.

   - *Long-term growth rate* – The long-term growth rate used was 2.00% in 2024, 2023 and 2022, and is based on published industry research.

   - *Discount rate* – The pre-tax discount rate, which is derived from MNUKL's weighted average cost of capital (WACC), is 9.35% in 2024, 10.10% in 2023, and 8.88% in 2022, based on the strength of the brand and the risk profile of the industry.

   - *Terminal Value* – The terminal value which represents the estimated value of the business beyond the explicit forecast period, is derived by capitalizing the final year of the explicit forecast period (the terminal year) by a perpetuity factor based on the discount rate less long-term growth rate.

   EBITDA was estimated taking into account past experience adjusted by the revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years.

   Based on the assumptions above, goodwill has been fully impaired as at December 31, 2024 and 2023. MNUKL recognized impairment loss on brand amounting to ₱3,871.7 million in 2024,

₱6,172.5 million in 2023 and ₱20,544.1 million in 2022. Information on the Group's goodwill and brand is disclosed in Note 13.

b. *Property, plant and equipment*

MNUKL. For property, plant and equipment in MNUKL, the recoverable amount of its asset was based on VIU calculation using cash flow projection from financial budgets approved by management covering a 5-year period, which is consistent with the estimated useful life of the property, plant and equipment. The key assumptions employed in the impairment assessment of property, plant and equipment are identical to those used for goodwill and brand in the CGU. The deterioration in the discount rate and projected capacity requirements resulted to additional impairment loss recognized amounting to ₱2,952.9 million in 2024, ₱7,187.9 million in 2023 and ₱620.0 million in 2022. Further details are disclosed in Note 12.

Based on these assessments, the Group recognized net impairment loss amounting to ₱2,903.4 million in 2024, ₱7,094.5 million in 2023 and ₱825.9 million in 2022 (see Notes 12 and 20). Information on the Group's property, plant and equipment is disclosed in Note 12.

c. *Investments in associates and joint ventures.* The Group assesses impairment of investments in associates and joint ventures whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The factors that the Group considers important, which could trigger an impairment review include the following:

- A downgrade of an associate's or joint venture's credit rating or a decline in the fair value of the associate or joint venture in consideration of other available information
- Significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the associate or joint venture operates

The Group determined that the negative results of operations and cashflow projections of the associates and joint ventures are impairment indicators of its investment in WHATIF F&I Pte. Ltd., YCE Group Pte Ltd, Honey Droplet Hong Kong and Monde Malee Beverage Corporation (MMBC).

The Group determined that the recoverable amount of its investments in WHATIF F&I Pte. Ltd., YCE Group Pte Ltd, Honey Droplet Hong Kong and MMBC is its FVLCD. The Group determined that the carrying amount of its investments in WHATIF F&I Pte. Ltd., YCE Group Pte Ltd, Honey Droplet Hong Kong and MMBC were no longer recoverable due to the current and forecasted performance of the entities.

Based on the assumptions above, the Group's investment in WHATIF F&I Pte. Ltd., YCE Group Pte Ltd, and Honey Droplet Hong Kong have been fully impaired as at December 31, 2024 and 2023. The Group recognized additional impairment loss amounting to ₱20.9 million in 2024 on its investment in Calaca Harvest Terminal, Inc. (CHTI) and ₱1.1 million in 2022 on its investment in MMBC. Accumulated impairment over these investments amounted to ₱643.2 million and ₱622.3 million as at December 31, 2024 and 2023, respectively.

Information on the Group's investments in associates and joint ventures and related impairment loss recognized are disclosed in Notes 11 and 20.

Fair Value of Guaranty Asset. The fair value of guaranty asset recognized as of December 31, 2024 is determined using Monte Carlo Simulation as the option pricing model. The inputs to the model such as the forecasted price of the shares serving as collateral over the guaranty, historical volatility for similar companies of MNUKL, and interest rate curve are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The aggregate impairment loss of MNSPL's investment in MNUKL, derived using VIU calculation, also serves as a key input to the model. The Group's guaranty asset is accounted for as a derivative instrument in accordance with PFRS 9.

Information on the Group's guaranty asset is disclosed in Notes 10 and 26.

Fair Value of Financial Instruments. The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Assessment for ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been SICR since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 90 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

Information on the Group's ECL on other financial assets at amortized cost is disclosed in Notes 6 and 9.

Leases – Estimating the incremental borrowing rate (IBR). The Group cannot readily determine the interest rate implicit in the lease; therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Information on the Group's lease liabilities is disclosed in Note 25.

Estimation of Pension and Other Benefits Costs. The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include determining the discount rates, future salary increases, mortality rates, and future pension increases. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

As at December 31, 2024 and 2023, the balance of the Group's present value of defined benefit obligations and other benefits is shown in Note 22 to the consolidated financial statements.

Recognition of Deferred Taxes. The Group's assessment on the recognition of deferred tax assets on nondeductible temporary differences is based on the forecasted taxable income of the following reporting periods over which the deductible temporary differences can be utilized. This forecast is based on the Group's past results and future expectations on revenues and expenses. Management also reviews the level of projected gross margin for the use of Optional Standard Deduction (OSD) and assess the future tax consequences for the recognition of deferred tax assets and deferred tax liabilities.

Information on the Group's recognized and unrecognized deferred tax assets are disclosed in Note 24.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as interest expense. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contact, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

4. Subsidiaries, Significant Acquisitions and Disposals, and Segment Information

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries, which are prepared for the same reporting period as at December 31, 2024 and 2023, as set out below:

Subsidiaries	Principal Activity	Country of Incorporation	Percentage of Ownership 2024 Direct	2024 Indirect	2023 Direct	2023 Indirect
MNSPL	Investment/sales	Singapore	**100.00**	**–**	100.00	–
MNUKL	Investment holding	United Kingdom	**–**	**100.00**	–	100.00
Marlow Foods Limited	Manufacturing, Sales, and Marketing	United Kingdom	**–**	**100.00**	–	100.00
Quorn Smart Life GmbH	Sales, and Marketing	Germany	**–**	**100.00**	–	100.00
Quorn Foods Inc	Sales, and Marketing	United States of America	**–**	**100.00**	–	100.00
Cauldron Foods Ltd*	Sales, and Marketing	United Kingdom	**–**	**100.00**	–	100.00
Quorn Foods Sweden	Sales, and Marketing	Sweden	**–**	**100.00**	–	100.00
MNNZ	Distribution of food related goods	New Zealand	**–**	**100.00**	–	100.00
MNHTL**	Investment company	Thailand	**–**	**6.54**	–	6.54
MIL	Manufacture of seasonings	Thailand	**–**	**100.00**	–	100.00
MNTH**	Manufacture and distribution of bread and cookies	Thailand	**–**	**56.48**	–	56.48
DSHPL****	Investment holding	Singapore	**–**	**49.00**	–	–
Sun Operation Co., Ltd.	Manufacture and distribution of animal food and care products	Thailand	**–**	**100.00**	–	–
MNIIL	Investment company	British Virgin Islands	**100.00**	**–**	100.00	–
MNHTL**	Investment company	Thailand	**–**	**93.46**	–	93.46
MNTH**	Manufacture and distribution of bread and cookies	Thailand	**–**	**43.52**	–	43.52
KBT International Holdings, Inc. (KBT)***	Investment company	Philippines	**100.00**	**–**	100.00	–
MNAC*	Manufacture, process, and distribution of industrial coconut and agricultural products	Philippines	**90.91**	**–**	90.91	–
SFC	Manufacture and process of bread	Philippines	**80.00**	**–**	80.00	–
All Fit & Popular Foods Inc. (AFPFI)	Manufacturing, importing, exporting, selling and distribution of breads; Purchasing or registering intellectual properties	Philippines	**–**	**80.00**	–	80.00
Monde M.Y. San Corporation (MMYSC)	Manufacture, process, and export of biscuits	Philippines	**100.00**	**–**	100.00	–
Amico Innovations, Inc. (Amico)	Wholesale and retail trade of goods, wares, and merchandises	Philippines	**70.00**	**–**	–	–

**Dormant*
***The Group effectively owns 100%*
****Actual transfer of stock certificate is still in process*
*****The Group has determined that is has significant control as it has the power to direct the relevant activities*

The Group has direct and indirect ownership interests in associates and joint ventures which are further discussed in Note 11.

a. Subsidiaries

i. MNSPL

On August 9, 2022, the BOD approved to subscribe additional 30,000,000 ordinary shares of MNSPL at an aggregate subscription price of ₱2,048.2 million (GBP30.0 million) payable in five equal tranches on or before December 16, 2022. On the following dates, the Parent Company paid for the following:

Payment date	No. of shares	Amount in GBP	Amount in PHP
	(In Thousands, Except No. of Shares)		
August 23, 2022	6,000,000	£6,000	₱402,419
September 21, 2022	6,000,000	6,000	404,889
October 19, 2022	6,000,000	6,000	413,430
November 17, 2022	6,000,000	6,000	413,144
December 14, 2022	6,000,000	6,000	414,320

In 2023 and 2024, the Parent Company's BOD approved to subscribe additional ordinary shares of MNSPL payable in several tranches.

Approval date	Payment date	No. of shares	Amount in GBP	Amount in PHP
		(In Thousands, Except No. of shares)		
May 10, 2023	May 15, 2023	23,000,000	£23,000	₱1,606,083
May 10, 2023	June 23, 2023	2,000,000	2,000	141,992
May 10, 2023	July 11, 2023	7,500,000	7,500	535,344
May 10, 2023	July 19, 2023	7,500,000	7,500	534,219
August 9, 2023	August 21, 2023	3,956,735	3,957	286,070
August 9, 2023	August 22, 2023	7,227,500	7,227	518,365
August 9, 2023	September 1, 2023	4,815,765	4,816	345,483
September 22, 2023	In one or several tranches, on or before April 30, 2024	4,000,000	4,000	291,391
February 21, 2024	March 5, 2024	27,000,000	27,000	1,916,479
July 29, 2024	In one or several tranches	5,000,000	5,000	364,239

ii. MNTH

On November 14, 2014, MMYSC subscribed 250,000 shares of the 2,500,000 shares to retain its 10.00% ownership interest in MNTH and MIL subscribed 2,250,000 shares of the 2,500,000 shares to increase its ownership interest from 30.00% to 38.57%. As a result, the Parent Company's direct ownership interest in MNTH decreased from 45.33% in 2013 to 38.86% in 2014 while the Parent Company's indirect ownership interest in MNTH increased from 36.00% in 2013 to 44.57% in 2014. The Parent Company recognized equity reserve from this transaction amounting to ₱99.6 million (see Note 18).

On July 11, 2018, the Parent Company and Monde Asia Pacific Co., Ltd., entered into a Deed of Absolute Sale of Shares (Agreement) wherein Monde Asia Pacific Co., Ltd., agreed to transfer its 12.57% ownership interest in MNTH to the Parent Company in exchange for

THB1. As a result of this transaction, the Group owned 100% of the outstanding shares of MNTH. The Parent Company recognized equity reserve from this transaction amounting to ₱15.8 million (see Note 18).

iii. KBT

In 2017, the Parent Company made additional investments in KBT amounting to ₱28.0 million. As a result of this transaction, the ownership interest of the Parent Company in KBT increased from 91.66% in 2017 to 95.69% in 2018. The Parent Company recognized equity reserve from this transaction amounting to ₱33.4 million (see Note 18).

In November 2023, the Parent Company purchased from the minority shareholders of KBT a total of 99,995 common shares of KBT representing 4.31% of the outstanding capital stock. This increased the Parent Company's ownership interest from 95.69% in 2022 to 100.00% in 2023. This resulted in the reduction of the Group's non-controlling interest related to KBT amounting of ₱42.3 million and increase in equity reserve of ₱10.0 million (see Note 18).

On July 29, 2024 and November 6, 2024, the Parent Company's BOD approved and authorized the Parent Company to subscribe for 1,250,000 and 20,000 additional ordinary shares, respectively, in KBT at an aggregate subscription price of ₱1,100.0 million and ₱200.0 million, respectively. The shares were fully paid in August 2024 and November 2024, respectively.

iv. MNAC

On June 10, 2016, the Parent Company and Agricology Group Philippines, Inc. (AGPI) entered into an agreement wherein AGPI agreed to subscribe to 73,422 Common Class B shares of MNAC, which has a par value or subscription price of ₱7.3 million. Also, under the agreement, the Parent Company agreed to donate to AGPI ₱7.3 million so that AGPI can pay for the subscription price of the shares. As a result of this transaction, the ownership interest of the Parent Company in MNAC was reduced to 90.91%. The Parent Company recognized its share of the equity reserve from this transaction amounting to ₱7.7 million (see Note 18).

On November 26, 2016, the BOD of MNAC approved the cessation of MNAC's business operations effective January 1, 2017.

v. SFC

In 2019, the Parent Company agreed to sell its 20% ownership interest in SFC to MNSG Holdings Pte. Ltd. in exchange for ₱48.0 million.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate share of the value of the net identifiable assets acquired.

vi. MMYSC

On January 28, 2021, the Parent Company purchased from My Crackers, Inc. (MCI) the latter's 4,500,000 common shares in MMYSC representing 40% of the outstanding capital stock of MMYSC for ₱1,822.5 million. This increased the Parent Company's ownership interest from 60% in 2020 to 100% in 2021. This resulted in the reduction of the Group's non-controlling interest related to MMYSC amounting of ₱1,289.9 million and increase in equity reserve of ₱532.6 million in 2021 (see Note 18).

vii. MNUKL

On August 23, 2022, MNSPL's BOD approved to subscribe additional 30,000,000 ordinary shares of MNUK at an aggregate subscription price of ₱2,023.2 million (GBP30.0 million) payable in five equal tranches up to December 16, 2022. On the following dates, MNSPL paid the following:

Payment date	Amount in GBP
August 30, 2022	£6,000
September 23, 2022	6,000
October 21, 2022	6,000
November 21, 2022	6,000
December 16, 2022	6,000

On the same date, MNSPL's BOD approved the proposed repayment and refinancing through debt-to equity conversion of the loan, including accrued interests, by MNUKL amounting to ₱16,109.2 million (GBP 238.9 million). As a result of this transaction, MNUKL issued additional 238,869,277 ordinary shares of GBP 1 each or a total subscription price of ₱16,109.2 million (GBP 238.9 million).

In 2023, MNSPL's BOD approved to subscribe additional ordinary shares of MNUK payable in several tranches.

Approval date	Payment date	No. of shares	Amount in GBP
May 10, 2023	May 15, 2023	23,000,000	£23,000
May 10, 2023	July 25, 2023	17,000,000	17,000
August 9, 2023	September 6, 2023	16,000,000	16,000
September 22, 2023	In one or several tranches, on or before April 30, 2024	4,000,000	4,000

On November 23, 2023, MNSPL's BOD approved the proposed repayment and refinancing through debt-to equity conversion of the loan, including accrued interests, by MNUKL amounting to ₱9,792.3 million (GBP 138.7 million). As a result of this transaction, MNUKL issued additional 138,694,817 ordinary shares of GBP 1 each or a total subscription price of ₱9,792.3 million (GBP 138.7 million).

In 2024, MNSPL subscribed and paid for 27,000,000 and 5,000,000 additional shares of MNUKL at an aggregate subscription price of GBP27.0 million and GBP5.0 million, respectively.

viii. Amico

On September 9, 2024, the Parent Company's executive committee authorized the Parent Company to subscribe for 87,500 common shares of Amico to be issued out of Amico's existing unissued authorized capital stock. Amico is a Philippine domestic corporation newly incorporated for the primary purpose of engaging in the importing, exporting, repacking, processing, buying, selling, marketing, distributing, trading or otherwise dealing in (on wholesale basis and to the extent allowed under Philippine law, on retail basis) all kinds of goods, wares, and merchandises, which are or may become articles of commerce, among others.

On September 23, 2024, the Parent Company paid an aggregate subscription price of ₱17.5 million for the Amico shares. As a result, the Parent Company currently holds 70% of Amico's issued and outstanding capital stock.

The Group recognized ₱7.5 million equity attributable to noncontrolling interest as at December 31, 2024.

ix. Da Sun Holdings Pte. Ltd. (DSHPL)

On October 15, 2024, MNSPL subscribed and paid for an aggregate of 93,097 shares of DSHPL at the aggregate issue price of ₱16.2 million (THB 9,309.7 million). DSHPL is an investment holding company incorporated under the laws of Singapore. As a result, MNSPL currently holds 49% of DSHPL's issued and outstanding capital stock. The Group has determined that is has significant control as it has the power to direct the relevant activities of DSHPL, therefore recognizing DSHPL as a subsidiary.

The Group recognized ₱51.2 million equity attributable to noncontrolling interest as at December 31, 2024.

x. Sun Operation Co., Ltd. (Sun Op)

In October 2024, DSHPL subscribed and paid for 224,900 shares of Sun Op at an aggregate issue price of ₱103.0 million (THB61.0 million) representing 100.0% of the total issued and paid-up share capital of Sun Op. Sun Op is a limited company newly incorporated and domiciled in Thailand engaged in the manufacture and distribution of animal food and care products.

b. Segment Information

For management purposes, the Group is organized into business units based on its products and has 2 reportable segments, as follows:

- Asia-Pacific Branded Food & Beverage (APAC BFB) manufactures and distributes a diverse mix of biscuits, bakery products, beverages, instant noodles and pasta.
- Meat Alternative manufacturers and distributes a variety of meat alternative brands and products to the retail trade and food service customers in the UK, US, Europe and Asia-Pacific.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Executive Officer is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The following tables present the financial information of each of the operating segments in accordance with PFRS Accounting Standards. Inter-segment revenues, and finance income and expenses are eliminated upon consolidation and reflected in the "Eliminations" column.

	2024			
	APAC BFB	**Meat Alternative**	**Eliminations**	**Consolidated**
Net sales	**₱69,528,484**	**₱13,605,426**	**(₱13,854)**	**₱83,120,056**
Costs and expenses	**(53,806,417)**	**(13,960,136)**	**13,854**	**(67,752,699)**
Depreciation and amortization	**(1,983,524)**	**(704,397)**	**–**	**(2,687,921)**
Finance income	**524,846**	**72,124**	**(17,693)**	**579,277**
Derivative gain	**64,403**	**1,466**	**–**	**65,869**
Finance expense	**(385,222)**	**(371,070)**	**17,693**	**(738,599)**
Loss on change in FV of guaranty asset	**–**	**(2,648,829)**	**–**	**(2,648,829)**
Foreign exchange gain (loss) - net	**33,727**	**(8,723)**	**–**	**25,004**
Impairment loss	**7,375,530**	**(6,824,544)**	**(7,346,916)**	**(6,795,930)**
Share in profit of associates and joint venture	**55,504**	**–**	**–**	**55,504**
Other income (expense)	**268,979**	**20,742**	**–**	**289,721**
Income before income tax	**21,676,310**	**(10,817,941)**	**(7,346,916)**	**3,511,453**
Provision for (benefit from) income tax	**3,422,356**	**(360,421)**	**-**	**3,061,935**
Net income	**₱18,253,954**	**(₱10,457,520)**	**(₱7,346,916)**	**₱449,518**
Other information				
Total assets	**₱72,749,449**	**₱13,785,796**	**(₱8,448,497)**	**₱78,086,748**
Total liabilities	**₱16,971,494**	**₱5,646,906**	**(₱70,554)**	**₱22,547,846**
Investment in associates and joint venture	**₱1,133,847**	**₱–**	**₱–**	**₱1,133,847**
Capital expenditures	**₱4,120,566**	**₱702,577**	**₱–**	**₱4,823,143**

	2023			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱65,941,954	₱14,237,274	(₱9,761)	₱80,169,467
Costs and expenses	(52,705,540)	(14,786,759)	9,761	(67,482,538)
Depreciation and amortization	(1,969,099)	(802,867)	–	(2,771,966)
Finance income	963,783	33,365	(569,034)	428,114
Derivative gain	20,833	–	–	20,833
Finance expense	(267,460)	(982,933)	569,034	(681,359)
Gain on change in FV of guaranty asset	–	1,301,750	–	1,301,750
Foreign exchange gain - net	60,563	19,843	–	80,406
Impairment loss	11,642,182	(13,360,310)	(11,553,526)	(13,271,654)
Share in profit of associates and joint venture	35,552	–	–	35,552
Other income (expense)	294,086	30,179	–	324,265
Income before income tax	24,016,854	(14,310,458)	(11,553,526)	(1,847,130)
Provision for (benefit from) income tax	2,764,440	(3,984,992)	–	(1,220,552)
Net income	₱21,252,414	(₱10,325,466)	(₱11,553,526)	(₱626,578)
Other information				
Total assets	₱76,183,132	₱21,237,872	(₱13,326,345)	₱84,094,659
Total liabilities	₱17,862,388	₱7,763,027	(₱29,144)	₱25,596,271
Investment in associates and joint venture	₱1,125,054	₱–	₱–	₱1,125,054
Capital expenditures	₱2,610,336	₱1,030,934	₱–	₱3,641,270

	2022			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱58,491,069	₱15,423,228	(₱33,588)	₱73,880,709
Costs and expenses	(48,275,301)	(15,056,614)	40,721	(63,291,194)
Depreciation and amortization	(1,958,196)	(755,466)	−	(2,713,662)
Finance income	856,834	5,035	(713,273)	148,596
Derivative gain	1,306,391	−	−	1,306,391
Finance expense	(250,337)	(879,461)	713,273	(416,525)
Foreign exchange gain - net	402,381	19,736	−	422,117
Impairment loss	(23,787,376)	(21,164,137)	23,577,875	(21,373,638)
Share in loss of associates and joint venture	(12,608)	−	−	(12,608)
Other income (expense)	171,333	51	(7,133)	164,251
Income before income tax	(13,055,810)	(22,407,628)	23,577,875	(11,885,563)
Provision for (benefit from) income tax	2,465,240	(1,336,287)	−	1,128,953
Net income	(₱15,521,050)	(₱21,071,341)	₱23,577,875	(₱13,014,516)
Other information				
Total assets	₱89,947,658	₱34,689,207	(₱43,344,492)	₱81,292,373
Total liabilities	₱14,177,754	₱23,683,292	(₱8,839,857)	₱29,021,189
Investment in associates and joint venture	₱1,104,453	₱−	₱−	₱1,104,453
Capital expenditures	₱2,059,006	₱2,373,224	₱−	₱4,432,230

Geographic Information

The Group operates in the Philippines, Thailand, New Zealand, Singapore and the United Kingdom.

The following table shows the distribution of the Group's consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	2024	2023	2022
Domestic	**₱64,665,271**	₱61,587,481	₱55,017,990
Foreign	**18,454,785**	18,581,986	18,862,719
	₱83,120,056	₱80,169,467	₱73,880,709

The Group has no customer which contributes 10% or more of the consolidated revenues of the Group.

The table below shows the Group's carrying amount of non-current assets per geographic location, excluding noncurrent receivables and advances to employees presented under "other noncurrent assets" and deferred tax assets.

	2024	2023
Domestic:		
Property, plant and equipment (Note 12)	**₱20,621,927**	₱17,773,850
Investments in associates and joint ventures (Note 11)	**1,133,847**	1,125,054
Intangible assets (Note 13)	**635,677**	616,026
Other noncurrent assets (Note 14)	**566,327**	707,548
Total	**₱22,957,778**	₱20,222,478
Foreign:		
Property, plant and equipment (Note 12)	**₱4,884,735**	₱7,381,870
Intangible assets (Note 13)	**4,820,392**	8,196,808
Other noncurrent assets (Note 14)	**125,992**	143,400
	9,831,119	15,722,078
	₱32,788,897	₱35,944,556

5. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	**₱4,802,726**	₱4,003,047
Cash equivalents	**9,355,477**	12,675,841
	₱14,158,203	₱16,678,888

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term deposits made for varying periods of one month up to three months depending on the immediate cash requirements and earn interest at the respective short-term deposit rates.

Interest income from cash and cash equivalents amounted to ₱552.7 million in 2024, ₱410.1 million in 2023, and ₱132.8 million in 2022 (see Note 21).

6. Trade and Other Receivables

	2024	2023
Trade receivables:		
Non-related parties	**₱7,648,316**	₱6,367,707
Related parties (Note 23)	**3**	–
Other receivables	**68,252**	65,963
	7,716,571	6,433,670
Allowance for ECL	**6,854**	23,532
	₱7,709,717	₱6,410,138

Trade receivables pertain to receivables from sale of goods which are noninterest-bearing and are generally on 30-60 days' terms.

Movements in the allowance for ECL follow:

	2024	2023
Balance at January 1	**₱23,532**	₱37,546
Provision for ECL (Note 20)	**69,420**	7,750
Write-off	**(86,267)**	(22,137)
Currency translation adjustments	**169**	373
Balance at end of period	**₱6,854**	₱23,532

7. Inventories

	2024	2023
At cost:		
Finished goods	**₱3,464,428**	₱3,668,320
Raw materials	**3,104,652**	3,039,201
Work in-process	**1,063,727**	1,517,274
Packaging and other materials	**1,014,405**	839,889
In-transit	**273,576**	121,843
	₱8,920,788	₱9,186,527

The Group's allowance for inventory obsolescence represents the cost of inventories written down in full. Movements in the allowance for inventory obsolescence are as follows:

	2024	2023
Balance at beginning of year	**₱389,145**	₱580,874
Provision	**126,588**	445,386
Write-off	**(287,924)**	(659,457)
Currency translation adjustments	**8,938**	22,342
Balance at end of year	**₱236,747**	₱389,145

The cost of inventories recognized under "Cost of goods sold" account amounted to ₱54,430.4 million in 2024, ₱55,441.7 million in 2023 and ₱50,920.8 million in 2022 (see Note 19).

Under the terms of the agreements covering liabilities under trust receipts totaling ₱1,608.5 million, and ₱1,607.3 million as at December 31, 2024 and 2023, respectively, certain inventories which approximate the trust receipts payable, have been released to the Group under trust receipt agreement with the banks. The Group is accountable to these banks for the trusteed merchandise or their sales proceeds (see Note 16).

8. Prepayments and Other Current Assets

	2024	2023
Prepayments	**₱606,466**	₱467,587
Advances to suppliers	**391,922**	–
Input VAT	**188,367**	165,010
Creditable withholding tax (CWT) and other credits	**126,613**	136,834
Deferred input VAT	**3,603**	319,256
Other current assets	**9,176**	13,938
	1,326,147	1,102,625
Allowance for non-recoverability of other current assets	–	(2,951)
	₱1,326,147	₱1,099,674

Prepayments pertain to prepayments of freight, insurance, and advertising expenses.

Advances to suppliers comprise mainly of advance payments for inventories which are expected to be delivered and completed in the succeeding year.

Input VAT represents VAT imposed on the Group by its suppliers and contractors for the acquisition of goods and services required under the tax laws and regulations.

Creditable withholding tax represents unapplied certificates which can be used as payment of income tax due in the succeeding years.

Deferred input VAT represents the input VAT related to the unpaid portion of the cost of services.

9. **Current Financial Assets**

	2024	2023
Loans receivable:		
Related parties (Note 23)	**₱206,759**	₱287,571
Others	**1,228,803**	500,000
Financial assets at FVTPL	**1,812,489**	2,042,058
	3,248,051	2,829,629
Allowance for ECL (Note 23)	**(115,266)**	(115,266)
	₱3,132,785	₱2,714,363

	2024	2023
Current portion	**₱1,812,489**	₱2,714,363
Noncurrent portion (Note 27)	**1,320,296**	−
	₱3,132,785	₱2,714,363

Loans receivable to related parties. On July 3, 2022, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱162.3 million ($3.0 million) loan to MNSG Holdings Pte. Ltd. from July 3, 2022 to July 3, 2024.

On July 3, 2024, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱173.9 million ($3.0 million) loan to MNSG Holdings Pte. Ltd. from July 3, 2024 to July 3, 2034. The loan was also converted from interest-bearing to noninterest-bearing resulting to a loss on loan modification amounting to ₱83.7 million (see Notes 21 and 23). As at December 31, 2024, the interest income on the amortization of financing cost is ₱4.5 million (see Note 21).

In 2024 and 2023, this loan is presented under "Noncurrent receivables" and "Current financial assets" account, respectively, in the consolidated statement of financial position (see Note 23).

On October 15, 2024, MNSPL entered into a new Loan agreement with MNSG Holdings Pte Ltd. The loan matures 5 years from date of the agreement. The loan is unsecured, denominated in THB and is noninterest-bearing. The loan outstanding amounted to ₱91.5 million (£1.26 million) as at December 31, 2024 (see Note 23).

Others. Other loans receivable pertains to interest-bearing loans receivable from SSCC (see Note 27).

On November 15, 2024, KBT entered into a Loan Agreement with Atlantic Grains, Inc. (AGI) wherein KBT agreed to extend a loan to AGI in the principal amount of ₱545.0 million with an annual interest rate of 50% of BDO Unibank, Inc. (BDO) reference rate applied by BDO in the same calendar year. The loan is for a period of more than 5 years and will mature on December 31, 2029.

The interest rates used in 2024 are as follows:

- November 15 to November 30, 2024 – 50% of 5.875%
- December 1 to December 31, 2024 – 50% of 5.75%

In 2024, MNSPL entered into a Loan Agreement with a third party, WSJ Holding Pte Ltd. The loan matures 5 years from date of the agreement. The loan is unsecured, denominated in THB with an interest rate of 6% per annum. The interest is payable yearly in arrears on December 31 each year, with the first payment date being December 31, 2025. The principal is repayable in full on December 31,

2029. As at December 31, 2024, the loan outstanding and interest receivable amounted to ₱83.8 million and ₱0.84 million, respectively.

Interest income from loans receivable amounted to ₱21.6 million in 2024, ₱18.0 million in 2023 and ₱15.8 million in 2022 (see Note 21).

Financial assets at FVTPL. Financial assets at FVTPL mainly consist of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. Movements in the fair value of financial assets at FVTPL are as follows:

	2024	2023
Balance at January 1	**₱2,042,058**	₱1,756,101
Acquisitions	**3,459,263**	3,871,363
Disposal	**(3,760,823)**	(3,672,926)
Fair value change during the year	**81,960**	92,600
Foreign exchange loss	**(9,969)**	(5,080)
Balance at end of period	**₱1,812,489**	₱2,042,058

10. **Noncurrent Financial Assets**

Financial Assets at FVOCI

	2024	2023
Cost		
Figaro Coffee Group, Inc. (FCG)	**₱820,268**	₱820,268
Wide Faith Investment Holdings Ltd.	**235,130**	235,130
Terramino, Inc.	**108,540**	108,540
	1,163,938	1,163,938
Fair value adjustment		
Wide Faith Investment Holdings Ltd.	**(235,130)**	(235,130)
FCG	**(114,837)**	(328,107)
	(349,967)	(563,237)
	₱813,971	₱600,701

a. FCG
On January 25, 2023, the Parent Company's BOD authorized the Parent Company to subscribe for 820,268,295 common shares of FCG ("FCG Shares") out of FCG's unissued authorized capital stock. FCG is a diversified food conglomerate with retail restaurants and branches in the Philippines and abroad, that serve a variety of food offerings and services.

On February 2, 2023, the Parent Company paid an aggregate subscription price of ₱820.3 million for the FCG Shares. As a result, the Parent Company holds 15% of FCG's issued and outstanding capital stock.

In 2024, the Group recognized dividend income from FCG amounting to ₱22.1 million.

b. Wide Faith Investment Holdings Ltd.
   As at December 31, 2024 and 2023, unquoted equity securities pertain to investment in Wide Faith Investment Holdings Ltd., which have been written-down to nil as at December 31, 2024 and 2023. Wide Faith Investment Holdings Ltd. is incorporated in the British Virgin Islands whose principal activity is investment holding.

c. Terramino, Inc.
   On March 22, 2023, the Parent Company's BOD approved the Parent Company's subscription for 665,845 Series B Preferred Stock of Terramino, Inc., a Delaware, U.S.-incorporated company engaged in research, development and commercialization of food products made from koji. Said 665,845 preferred shares represent 1.89% of Terramino, Inc.'s outstanding capital stock at a subscription price of up to ₱108.5 million ($2.0 million).

Guaranty Asset at FVTPL
During the financial year ended December 31, 2023, MNSPL entered into an agreement ("Top-Up Deed") with MNSG Holdings Pte. Ltd., a Singaporean Company owned by a majority of the ultimate beneficial owners of MNSPL ("MNSG"). Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL's wholly-owned subsidiary, MNUKL. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUKL starting from the calendar year ended December 31, 2023 and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed and engaged an independent valuation expert to determine the fair value of the guaranty asset at inception. The initial recognition of the guaranty asset is recognized as an equity transaction under "Equity Reserve", while subsequent changes in fair value is recognized in profit or loss.

Shown below are the movements in the fair value of the guaranty asset:

	2024	2023
Guaranty asset:		
Balance at January 1	**₱10,432,256**	₱–
Initial recognition credited to Equity Reserve	**–**	9,104,076
Fair value gain (loss) on guaranty asset	**(2,648,829)**	1,301,750
Cumulative translation adjustment	**345,387**	26,430
	₱8,128,814	₱10,432,256

Sensitivity analysis
The fair value of the guaranty asset is dependent on various inputs such as the forecasted price of the shares serving as collateral over the guaranty, historical volatility for similar companies of Parent Company and MNUKL, interest rate curve, and aggregate impairment loss on MNSPL's investment in MNUKL. A sensitivity analysis on these inputs is disclosed in Note 26.

11. Investments in Associates and Joint Venture

Entities	Principal Activity	Country of Incorporation	Percentage of Ownership	Amount 2024	Amount 2023
Associates					
Monde Land Inc. (MLI)	Buying, leasing and acquiring of real estate	Philippines	40.00	**₱984,733**	₱955,054
WHATIF F&I Pte. Ltd.*	Research and development	Singapore	21.20	**324,211**	324,211
Calaca Harvest Terminal, Inc. (CHTI)	Engaged in and carry on a general and commercial business by buying, selling, storage, warehouse and transport of grain and other related commodities	Philippines	20.00	**170,000**	170,000
YCE Group Pte Ltd*	Manufacturing of ice	Singapore	32.00	**78,249**	78,249
				1,557,193	1,527,514
Joint Venture					
Honey Droplet Hong Kong**	Purchasing, processing, exporting, and selling honey worldwide (excluding Japan)	Hong Kong	50.00	**218,748**	218,748
MMBC	Importation, marketing, promotion, and sale of beverage products	Philippines	48.99	**1,141**	1,141
				219,889	219,889
Less allowance for impairment loss (Note 3):					
WHATIF F&I Pte. Ltd.				**324,211**	324,211
CHTI				**20,886**	–
YCE				**78,249**	78,249
Honey Droplet Hong Kong				**218,748**	218,748
MMBC				**1,141**	1,141
				643,235	622,349
				₱1,133,847	₱1,125,054

**Previously "NAMZ Pte Ltd". Indirect ownership through MNSPL*
***Indirect ownership through MNSPL*

Investments in Associates

	2024	2023
Cost:		
Beginning and end of year	**₱1,330,322**	₱1,330,322
Accumulated share in net earnings:		
Balance at beginning of year	**197,192**	176,591
Share in net earnings	**55,504**	35,552
Dividends from MLI	**(25,825)**	(14,951)
End of year	**226,871**	197,192
Accumulated impairment loss	**(423,346)**	(402,460)
	₱1,133,847	₱1,125,054

Summarized consolidated financial information of MLI, a material associate, follows:

	2024	2023
Consolidated Statement of Financial Position		
Current assets	**₱383,896**	₱318,628
Noncurrent assets	**1,260,031**	1,241,177
Current liabilities	**(72,001)**	(64,111)
Noncurrent liabilities	**(40,424)**	(38,389)
Equity	**₱1,531,502**	₱1,457,305
Group's share in equity	**₱612,601**	₱582,922
Goodwill	**372,132**	372,132
Group's carrying amount of the investment	**₱984,733**	₱955,054

	2024	2023	2022
Consolidated Statement of Comprehensive Income			
Revenue	**₱356,216**	₱288,912	₱279,715
Cost of sales	**(183,528)**	(152,837)	(149,209)
Sales, general and administrative expenses	**(13,261)**	(27,426)	(24,000)
Other income (expenses)	**2,564**	162	(2,063)
Income before income tax	**161,991**	108,811	104,443
Provision for income tax	**23,232**	19,930	17,859
Income after income tax / Total comprehensive income	**₱138,759**	₱88,881	₱86,584
Group's share of profit for the year	**₱55,504**	₱35,552	₱34,634

The Group's share in the aggregated summarized financial information for immaterial associates follow:

	2024	2023	2022
Consolidated Statement of Comprehensive Income			
Revenue	**₱135,422**	₱117,623	₱131,967
Cost of sales	**(118,767)**	(107,727)	(116,013)
Sales, general and administrative expenses	**(90,268)**	(3,832)	(57,565)
Other expenses	**(35,463)**	(21,992)	(33,862)
Loss before income tax / Total comprehensive loss	**(₱109,076)**	(₱15,928)	(₱75,473)

The Group did not recognize its share in net losses in associates amounting to ₱109.1 million in 2024, ₱15.9 million in 2023 and ₱75.5 million in 2022. The accumulated share in net losses in associates not recognized amounted to ₱293.1 million and ₱184.0 million as at December 31, 2024 and 2023, respectively.

a. MLI

The Group's carrying amount of its investment in MLI is ₱984.7 million and ₱955.1 million as at December 31, 2024 and 2023, respectively. The difference between the carrying amount of the Group's investment in MLI as at December 31, 2024 and 2023 and its share in the total equity of MLI attributable to the equity holders of the Parent is attributable to goodwill.

b. CHTI

In 2021, the Group made additional investment amounting to ₱60.0 million representing 60,000 shares in CHTI to maintain its ownership interest of 20.00%.

In 2022, the Parent Company made an additional investment amounting to ₱30.0 million representing 30,000 shares in CHTI to maintain its ownership interest of 20.00%.

In 2024, the Parent Company recognized an impairment loss on its investment in CHTI amounting to ₱20.9 million.

The associates had no contingent liabilities or capital commitments as at December 31, 2024 and 2023. There have been no guarantees provided by the Group to the associate as at December 31, 2024 and 2023.

Investment in Joint Ventures

	2024	2023
Cost	**₱399,223**	₱399,223
Accumulated share in net earnings	**(179,334)**	(179,334)
Accumulated impairment loss	**(219,889)**	(219,889)
	₱–	₱–

The Group's shares in the aggregate summarized financial information of individually-immaterial joint ventures follow:

	2024	2023	2022
Revenue	**₱–**	₱–	₱8,695
Expenses	**(90)**	(1,608)	(37,883)
Other income (expenses)	**52**	2,075	(18,047)
Income (loss) before income tax	**(38)**	467	(47,235)
Provision for income tax	**11**	117	7
Income (loss) after income tax / Total comprehensive income (loss)	**(₱49)**	₱350	(₱47,242)

The Group did not recognize share in net income (losses) in joint ventures amounting to nil and ₱0.4 million in 2024 and 2023, respectively. The accumulated share in net losses in joint ventures not recognized as at December 31, 2024, 2023 and 2022 amounted to ₱85.4 million, ₱85.4 million and ₱85.9 million, respectively. There have been no guarantees provided by the Group to the joint venture company as at December 31, 2024 and 2023.

a. Honey Droplet Hong Kong

The Group has a 50.00% interest in the ownership and voting rights in a joint venture, Honey Droplet Hong Kong. This joint venture is incorporated in Hong Kong and is a strategic venture in purchasing, processing, exporting, and selling honey worldwide (excluding Japan). The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

As of December 31, 2024 and 2023, Honey Droplet Hong Kong has no operations due to factory shut down. The Group determined that non-operation and cashflow projections of Honey Droplet Hong Kong are impairment indicators. As a result, the Group's investment in Honey Droplet Hong Kong is fully impaired as at December 31, 2024 and 2023.

b. MMBC

In 2015, the Group signed a Joint Venture Agreement with Malee Beverage Public Co. Ltd., a leading juice and canned fruit manufacturer in Thailand, to set up MMBC to tap the aggressive growth of the beverage market in the Philippines. MMBC has ₱100.0 million of registered capital, of which the Group and Malee share 48.99% each and the remaining 2.00% are held by individual investors.

In 2022 and 2021, the Group determined that the negative results of operations and cashflow projections MMBC are impairment indicators. In 2023, MMBC ceased its business operations and has no formal plans to resume commercial operations. As a result, the Group's investment in MMBC is fully impaired as at December 31, 2024 and 2023. Impairment loss recognized amounted to ₱1.1 million in 2022 (see Note 20).

The joint ventures have no contingent liabilities or capital commitments as at December 31, 2024 and 2023. There have been no guarantees provided or received for any related party receivables and payables.

12. Property, Plant and Equipment

2024

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-nications Equipment	Machineries Under Installation	Construction In-progress	ROU Land (Note 25)	ROU Others (Note 25)	Total
Cost													
Balance at beginning of year	₱469,574	₱6,460	₱13,677,344	₱162,584	₱36,093,946	₱535,194	₱165,815	₱446,613	₱1,911,496	₱5,274,208	₱2,898,464	₱641,633	₱62,283,331
Additions	96,735	363	699,900	4,410	861,408	43,676	18,878	7,383	976,767	2,113,623	887,786	206,890	5,917,819
Disposals and retirement	–	–	(540,018)	(5,635)	(2,190,241)	(114,033)	(22,193)	(22,954)	(23,250)	(30,081)	–	(49,118)	(2,997,523)
Reclassifications	–	–	1,580,006	331	2,321,457	71,805	–	(42,414)	(990,430)	(3,520,992)	–	–	(580,237)
Foreign currency translation adjustments	19,372	317	158,493	2,194	619,575	6,899	157	6,743	(5,810)	132,971	–	–	940,911
Balance at end of year	585,681	7,140	15,575,725	163,884	37,706,145	543,541	162,657	395,371	1,868,773	3,969,729	3,786,250	799,405	65,564,301
Accumulated Depreciation													
Balance at beginning of year	–	4,627	5,963,425	105,366	18,312,909	381,195	62,223	343,673	–	–	385,699	212,151	25,771,268
Depreciation (Notes 19, 20 and 21)	–	337	656,716	5,656	1,598,916	55,239	23,658	35,335	–	–	99,115	73,076	2,548,048
Disposals and retirement	–	–	(485,594)	(2,137)	(2,018,504)	(113,103)	(19,306)	(22,422)	–	–	–	(20,062)	(2,681,128)
Reclassifications	–	–	(1,464)	–	(240,649)	–	–	(80,678)	–	–	–	–	(322,791)
Foreign currency translation adjustments	–	238	79,704	8,413	291,225	2,746	52	4,777	–	–	–	–	387,155
Balance at end of year	–	5,202	6,212,787	117,298	17,943,897	326,077	66,627	280,685	–	–	484,814	265,165	25,702,552
Accumulated Impairment Loss													
Balance at beginning of year	–	–	997,622	955	8,466,664	22,280	–	1,791	486,312	1,380,719	–	–	11,356,343
Impairment loss (Notes 3 and 20)	–	–	1,390,065	–	1,512,334	–	–	–	–	953	–	–	2,903,352
Disposals and retirement	–	–	–	–	–	–	–	–	(49,370)	(157,434)	–	–	(206,804)
Reclassifications	–	–	23,554	–	(112,166)	–	–	–	(354,270)	442,882	–	–	–
Foreign currency translation adjustments	–	–	9,733	–	253,986	–	–	–	–	38,477	–	–	302,196
Balance at end of year	–	–	2,420,974	955	10,120,818	22,280	–	1,791	82,672	1,705,597	–	–	14,355,087
Net Book Value	₱585,681	₱1,938	₱6,941,964	₱45,631	₱9,641,430	₱195,184	₱96,030	₱112,895	₱1,786,101	₱2,264,132	₱3,301,436	₱534,240	₱25,506,662

2023

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-nications Equipment	Machineries Under Installation	Construction In-progress	ROU Land (Note 25)	ROU Others (Note 25)	Total
Cost													
Balance at beginning of year	₱460,209	₱5,608	₱13,507,086	₱167,284	₱36,371,881	₱501,778	₱158,924	₱373,776	₱2,080,960	₱3,926,908	₱2,898,464	₱834,320	₱61,287,198
Additions	–	862	9,661	–	633,579	6,164	43,248	1,091	474,663	2,472,002	–	21,427	3,662,697
Disposals and retirement	–	–	(343,643)	(11,644)	(2,871,290)	(51,641)	(38,530)	(18,578)	35,512	(16,554)	–	(214,114)	(3,530,482)
Reclassifications	–	–	412,113	3,899	1,385,812	74,636	1,954	85,105	(691,995)	(1,271,524)	–	–	–
Foreign currency translation adjustments	9,365	(10)	92,127	3,045	573,964	4,257	219	5,219	12,356	163,376	–	–	863,918
Balance at end of year	469,574	6,460	13,677,344	162,584	36,093,946	535,194	165,815	446,613	1,911,496	5,274,208	2,898,464	641,633	62,283,331
Accumulated Depreciation													
Balance at beginning of year	–	4,315	5,673,089	97,206	19,240,702	371,298	75,949	268,718	–	–	298,791	341,314	26,371,382
Depreciation (Notes 19, 20 and 21)	–	317	589,240	5,952	1,736,999	59,442	23,365	89,549	–	–	86,908	84,951	2,676,723
Disposals and retirement	–	–	(322,269)	(10,284)	(2,843,921)	(50,807)	(37,151)	(18,564)	–	–	–	(214,114)	(3,497,110)
Foreign currency translation adjustments	–	(5)	23,365	12,492	179,129	1,262	60	3,970	–	–	–	–	220,273
Balance at end of year	–	4,627	5,963,425	105,366	18,312,909	381,195	62,223	343,673	–	–	385,699	212,151	25,771,268

(Forward)

	2023												
	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-nications Equipment	Machineries Under Installation	Construction In-progress	ROU Land (Note 25)	ROU Others (Note 25)	Total
Accumulated Impairment Loss													
Balance at beginning of year	₱–	₱–	₱984,052	₱955	₱2,267,384	₱–	₱–	₱36	₱571,765	₱228,117	₱–	₱–	₱4,052,309
Impairment loss (Notes 3 and 20)	–	–	(4,561)	–	6,019,160	22,280	–	1,755	(71,022)	1,126,934	–	–	7,094,546
Disposals and retirement	–	–	–	–	–	–	–	–	(14,431)	–	–	–	(14,431)
Foreign currency translation adjustments	–	–	18,131	–	180,120	–	–	–	–	25,668	–	–	223,919
Balance at end of year	–	–	997,622	955	8,466,664	22,280	–	1,791	486,312	1,380,719	–	–	11,356,343
Net Book Value	₱469,574	₱1,833	₱6,716,297	₱56,263	₱9,314,373	₱131,719	₱103,592	₱101,149	₱1,425,184	₱3,893,489	₱2,512,765	₱429,482	₱25,155,720

Machineries-under-installation pertain to plant equipment for various product lines that are still under-installation, and which are expected to be completed until 2025. Additions to machineries under installation include costs for the construction of new production facilities.

Construction-in-progress pertains to the construction of an additional building and building improvements which is expected to be completed until 2027. There were no capitalized borrowing costs as the construction in-progress were funded by cash from operations.

In 2024, 2023 and 2022, the Group recognized net provision for impairment loss on property, plant and equipment amounting to ₱2,903.4 million, ₱7,094.5 million and ₱825.9 million, respectively (see Note 20).

There are no idle property, plant and equipment as at December 31, 2024 and 2023. The Group has no property, plant and equipment used as collateral as at December 31, 2024 and 2023.

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱1,843.6 million, ₱2,055.4 million, and ₱1,447.5 million as at 2024, 2023 and 2022, respectively (see Note 27).

13. Intangible Assets

	2024							
	Goodwill	**Brand**	**Distribution Rights**	**License**	**Trademarks with definite useful life**	**Trademarks with indefinite useful life**	**Software**	**Total**
Cost								
Balance at beginning of year	**₱17,318,215**	**₱18,810,500**	**₱727,560**	**₱66,141**	**₱2,593**	**₱14,459**	**₱482,640**	**₱37,422,108**
Additions	–	–	–	–	**4,764**	–	**111,121**	**115,885**
Disposals and retirement	–	–	–	–	–	–	**(17,859)**	**(17,859)**
Reclassifications	–	–	–	–	–	–	**580,237**	**580,237**
Foreign currency translation adjustments	**550,628**	**595,209**	–	–	**128**	–	**4,687**	**1,150,652**
Balance at end of year	**17,868,843**	**19,405,709**	**727,560**	**66,141**	**7,485**	**14,459**	**1,160,826**	**39,251,023**
Accumulated Amortization								
Balance at beginning of year	–	**44,362**	**342,560**	**7,827**	**1,904**	–	**255,768**	**652,421**
Amortization (Notes 19, 20 and 21)	–	–	**36,378**	**7,393**	**461**	–	**95,641**	**139,873**
Disposals and retirement	–	–	–	–	–	–	**(17,812)**	**(17,812)**
Reclassifications	–	–	–	–	–	–	**322,791**	**322,791**
Foreign currency translation adjustments	–	**1,411**	–	–	**109**	–	**1,848**	**3,368**
Balance at end of year	–	**45,773**	**378,938**	**15,220**	**2,474**	–	**658,236**	**1,100,641**
Accumulated Impairment Loss								
Balance at beginning of year	**17,318,215**	**10,631,507**	–	–	–	**7,131**	–	**27,956,853**
Impairment loss (Notes 3 and 20)	–	**3,871,692**	–	–	–	–	–	**3,871,692**
Foreign currency translation adjustments	**550,628**	**315,140**	–	–	–	–	–	**865,768**
Balance at end of year	**17,868,843**	**14,818,339**	–	–	–	**7,131**	–	**32,694,313**
Net Book Value	**₱–**	**₱4,541,597**	**₱348,622**	**₱50,921**	**₱5,011**	**₱7,328**	**₱502,590**	**₱5,456,069**

	2023							
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	Total
Cost								
Balance at beginning of year	₱16,542,239	₱17,971,697	₱727,560	₱34,639	₱2,599	₱14,459	₱442,650	₱35,735,843
Additions	–	–	–	31,502	–	–	49,628	81,130
Disposals and retirement	–	–	–	–	–	–	(9,280)	(9,280)
Foreign currency translation adjustments	775,976	838,803	–	–	(6)	–	(358)	1,614,415
Balance at end of year	17,318,215	18,810,500	727,560	66,141	2,593	14,459	482,640	37,422,108
Accumulated Amortization								
Balance at beginning of year	–	42,374	306,182	700	1,739	–	213,636	564,631
Amortization (Notes 19, 20 and 21)	–	–	36,378	7,127	167	–	51,571	95,243
Disposals and retirement	–	–	–	–	–	–	(9,256)	(9,256)
Foreign currency translation adjustments	–	1,988	–	–	(2)	–	(183)	1,803
Balance at end of year	–	44,362	342,560	7,827	1,904	–	255,768	652,421
Accumulated Impairment Loss								
Balance at beginning of year	16,542,239	4,143,587	–	–	–	2,481	–	20,688,307

(Forward)

	2023							
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	Total
Impairment loss (Notes 3 and 20)	₱–	₱6,172,458	₱–	₱–	₱–	₱4,650	₱–	₱6,177,108
Foreign currency translation adjustments	775,976	315,462	–	–	–	–	–	1,091,438
Balance at end of year	17,318,215	10,631,507	–	–	–	7,131	–	27,956,853
Net Book Value	₱–	₱8,134,631	₱385,000	₱58,314	₱689	₱7,328	₱226,872	₱8,812,834

Goodwill and brand were acquired through business combinations. The Group performed its annual impairment test in December 2024 and 2023 (see Note 3).

Distribution rights were from the Parent Company's Distribution, and Marketing and Sales Development Agreement with SSCC wherein SSCC appointed the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years until July 25, 2034 (see Note 27). As at December 31, 2024, the remaining amortization period is 9 years and 7 months.

14. Other Noncurrent Assets

	2024	2023
Advances to suppliers and contractors	**₱488,125**	₱630,367
Advances to employees (Note 23)	**99,924**	90,591
Deferred input VAT for amortization	**88,655**	153,171
Refundable and other deposits	**77,284**	34,743
Others	**38,255**	32,667
	₱792,243	₱941,539

Advances to suppliers and contractors comprise mainly of advance payments for major equipment and construction/improvements of plant sites and office spaces.

Advances to employees are long-term advances granted to employees.

Deferred input VAT pertains to input VAT from acquisition of capital goods which are claimed over 5 years.

Refundable and other deposits are deposits for office and warehouse spaces which are refundable upon the termination of the lease contract.

15. Accounts Payable and Other Current Liabilities and Refund Liabilities

Accounts Payable and Other Current Liabilities

	2024	2023
Trade payables		
Non-related parties	**₱6,265,686**	₱4,911,912
Related parties (Note 23)	**44,196**	49,204
Nontrade payables	**2,931,745**	4,042,437
Accruals for:		
Advertising and promotions	**591,683**	499,758
Selling, general and administrative expenses	**585,230**	281,235
Personnel costs	**422,412**	352,937

(Forward)

	2024	2023
Other accruals	**₱260,704**	₱198,267
Trade spend	**217,074**	206,821
Statutory payables	**1,026,839**	890,434
Provisions	**118,267**	166,265
Others	**86,488**	85,040
	₱12,550,324	₱11,684,310

Accounts payable and other current liabilities are noninterest-bearing and are generally settled within 30 to 60 days.

Trade payables pertain to liabilities to suppliers for the purchase of raw materials, finished goods, and other costs directly related to the Group's operations.

Nontrade payables include liabilities related to utilities, advertising, other operating and manufacturing overhead expenses.

Statutory payables comprise mainly of the Group's liabilities to the tax authorities such as withholding taxes payable, final taxes payable, etc.

Provisions include claims by third parties in the ordinary course of business. As allowed by PAS 37, only a general description is provided as the disclosure of additional details beyond the present disclosures may prejudice the Group's position and negotiation strategies with respect to these matters.

Trade and other payables from related parties that were eliminated upon consolidation amounted to ₱3,324.5 million in 2024 and ₱2,811.4 million in 2023.

Refund Liabilities

As at December 31, 2024 and 2023, the Group's refund liabilities consist of the following:

	2024	2023
Refund liabilities:		
Arising from rights of return	**₱331,539**	₱346,835
Arising from volume discount	**47,245**	59,842
	₱378,784	₱406,677

16. Acceptance and Trust Receipts Payable

This account represents the Group's peso and US dollar-denominated liabilities incurred in connection with the importations and acquisitions of raw materials from foreign suppliers. These raw materials are insured in compliance with the requirements of the bank. These liabilities are for a period of 1 year with an average annual interest rate of 5.60% in 2024 and 5.44% in 2023.

The Group has outstanding acceptance and trust receipts payable amounting to ₱1,608.5 million, ₱1,607.3 million as at December 31, 2024 and 2023, respectively.

The Group recognized interest expense amounting to ₱112.3 million in 2024, ₱99.0 million in 2023 and ₱68.0 million in 2022 (see Note 21).

17. **Loans Payable**

Loans Payable

Description	Maturities	Interest Rates	2024	2023
MFL				
£105.0 million term loan	June 2027 subject to extension of 2 years	Margin and SONIA	**₱1,966,888**	₱3,812,556
£5.0 million revolving credit facility	September 2023	Margin and SONIA	**364,239**	353,015
£4.0 million revolving credit facility	November 2022	Margin and SONIA	**291,391**	282,412
£3.0 million revolving credit facility	October 2023	Margin and SONIA	**218,543**	211,808
£5.0 million credit facility	September 2024	SONIA and 1.20% p.a.	**364,239**	353,016
DSHPL				
฿39.3 million term loan	December 2029	Noninterest-bearing	**27,968**	–
			3,233,268	5,012,807
Unamortized debt issue costs			**(26,633)**	(78,780)
			₱3,206,635	₱4,934,027
Current portion			**₱364,239**	₱1,200,251
Non-current portion			**2,842,396**	3,733,776
			₱3,206,635	₱4,934,027

As at December 31, 2024 and 2023, MFL has outstanding unsecured loans payable amounting to ₱3,205.3 million (£44.0 million) and ₱5,012.8 million (£71.0 million), respectively. The sterling term loan facility amounting to ₱7,649.0 million (£105.0 million) with maturity on June 2027 subject to extension of 2 years and interest rate based on Margin and SONIA has the following financial covenants:

- The Group is required to maintain Gross Leverage of less than 3.5x from June 30, 2023 and each quarter thereafter.
- The Group is required to maintain an interest cover of greater than 3.0 from June 30, 2023 and each quarter thereafter.

As at December 31, 2024 and 2023, the Group is in compliance with these covenants.

The facility also includes a revolving credit facility of ₱1,092.7 million (£15.0 million) subject to the same financial covenants above. MFL had drawn down nil and ₱847.2 million (£12.0 million) as at December 31, 2024 and December 31, 2023, respectively.

In 2023, MFL obtained and drew an uncommitted short term credit facility with a financial institution amounting to ₱364.2 million (£5.0 million).

On the following dates, DSHPL entered into loan agreements with WSJ Holdings Pte. Ltd.

Promissory note date	Amount in THB (in thousands)
October 15, 2024	฿19,710
November 11, 2024	15,750
December 16, 2024	3,870

Interest expense related to the loans amounted to ₱294.4 million in 2024, ₱353.2 million in 2023 and ₱53.3 million in 2022 (see Note 21).

The movement in unamortized debt issue costs of loans payable is as follows:

	2024	2023
Loans Payable		
Balance at January 1	**₱78,780**	₱97,881
Additions (reductions) during the period	**(6,658)**	22,471
Amortization during the period (Note 21)	**(48,244)**	(45,244)
Foreign currency translation adjustments	**2,755**	3,672
Total	**₱26,633**	₱78,780

In 2022, amortization of debt issue costs on loans payable amounted to ₱86.6 million (see Note 21).

18. Equity

Capital Stock and Additional Paid-in Capital (APIC)
The details of the Parent Company's common stock as at December 31, 2024 and 2023 follows:

Authorized number of shares	20,400,000,000
Par value per share	₱0.50
Issued and outstanding common shares	17,968,611,496

The details of the Parent Company's additional paid-in capital as at December 31, 2024, 2023 and 2022 follows:

	2024	2023	2022
Balance at January 1	**₱39,361,947**	₱46,515,847	₱46,515,847
Equity restructuring	**–**	(7,153,900)	–
Balance at end of period	**₱39,361,947**	₱39,361,947	₱46,515,847

The total number of stockholders was 24 as at December 31, 2024 and 2023, respectively. With respect to the Parent Company's stockholders as at December 31, 2024, the shares were either held (a) in certificated form or (b) in scripless form held under the account of PCD Nominee Corp. (PCD Nominee) through 142 trading participants (*i.e.*, brokers and custodians) of the Philippine Depository & Trust Corp. (PDTC). The shares lodged under PCD Nominee are further broken down into PCD Nominee (Filipino) and PCD Nominee (Non-Filipino).

Amendment of AOI
On March 1, 2021, at least a majority of the members of the BOD of the Parent Company and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company approved certain amendments to the Parent Company's Articles of Incorporation including the amending the authorized capital stock of the Parent Company (without increasing or decreasing the same) such that the authorized number of shares, as amended, shall be:

a. 20,400,000,000 common shares with a par value of ₱0.50 per share, from the current par value of ₱1.00 per share; and

b. 3,600,000,000 Preferred Shares classified into:

Class of Preferred Shares	No. of shares	Par value	Amount
Non-voting "A"	400,000,000	₱1.00	₱400,000
Non-voting "B"	800,000,000	1.00	800,000
Voting "C"	2,400,000,000	0.25	600,000
Total	3,600,000,000		₱1,800,000

Said preferred shares' issue value, dividend rate and the terms and conditions of their redemption shall be determined by the BOD at the time of their respective issuances. Furthermore, they shall be cumulative and non-participating as to dividends and non-convertible into common shares. Said preferred shares shall also enjoy preference in assets in the event of liquidation of the Parent Company and in the payment of dividends as against common shares; however, they shall not enjoy any pre-emptive rights to any issue of shares (whether common or preferred).

These amendments on the Parent Company's AOI was approved by the SEC on April 7, 2021.

There have been no issuances of preferred stock as at December 31, 2024 and 2023.

Retained Earnings

Parent Company

On the following dates, the BOD approved the following cash dividends, all of which have been previously appropriated except for 2024 and 2023:

Dividend declaration and stockholders of record date	Dividend per share	Amount
November 6, 2024	**₱0.14**	**₱2,515,606**
April 10, 2024	**0.12**	**2,156,233**
November 29, 2023	0.12	2,156,233
August 9, 2022	0.14	2,515,606

On March 26, 2025, the BOD approved the declaration of regular cash dividends of ₱0.15 per common share to stockholders of record as of April 25, 2025, payable on or before May 22, 2025.

As at December 31, 2024 and 2023, dividends payable amounted to nil and ₱2,156.2 million, respectively.

The BOD approved the following:

- On August 9, 2022, reversal of the 2021 appropriation for ₱3,900.0 million for expansions, and other capital requirements.

- On December 19, 2022, appropriation of ₱5,000.0 million for plant expansions and other capital expenditure requirements.

- On March 22, 2023, reversal of the 2022 appropriation amounting to ₱5,000.0 million for expansions and other capital requirements.

MMYSC
The BOD approved the following:

- On December 6, 2022, release of 2021 appropriation of ₱150.8 million for plant capacity expansion.

- On December 6, 2022, appropriation of ₱167.0 million for expansion and other capital requirements which are expected to be completed in 2025.

- On November 18, 2024, reversal of the appropriations made in 2023 for cash dividends amounting to ₱820.5 million.

MIL
Under Section 1202 of the Thai Civil and Commercial Code, MIL is required to set aside to a statutory reserve of at least 5% of its income each time MIL pays dividend, until the reserve reaches 10% of the registered capital. The statutory reserve can neither be offset against deficit nor used for dividend payment. The statutory reserve of MIL amounted to ₱44.5 million as at December 31, 2024, 2023 and 2022.

The Group's appropriated retained earnings follows:

	2024		2023		2022	
	Expected Completion	**Amount**	Expected Completion	Amount	Expected Completion	Amount
Expansions and capital expenditures	**2025**	**₱167,000**	2024-2025	₱167,000	2023-2024	₱5,167,000
MIL statutory reserve	**Indefinite**	**44,452**	Indefinite	44,452	Indefinite	44,452
		₱211,452		₱211,452		₱5,211,452

The Group's appropriation for capital expenditure is expected to be used to build new capacity and capability in the APAC BFB segment. Key projects in the APAC BFB segment will be for other operational efficiency initiatives.

Restriction on Retained Earnings
As at December 31, 2024 and 2023, undistributed retained earnings of subsidiaries and an associate amounting to ₱2,796.9 million and ₱3,965.2 million, respectively, are not available for dividend declaration until the actual declaration of the subsidiaries and an associate. Further, the undistributed retained earnings include appropriated retained earnings of MMYSC and MIL amounting to ₱211.5 million as at December 31, 2024 and 2023.

Equity Restructuring
On March 29, 2023, the Parent Company's BOD approved the equity restructuring of the Parent Company by offsetting the Deficit as at December 31, 2022 against available additional paid-in capital (APIC) as at December 31, 2022.

On June 9, 2023, SEC then approved the Parent Company's equity restructuring to wipe-out the Deficit as at December 31, 2022 in the amount of ₱7,153.9 million against the APIC of ₱46,515.8 million.

Equity Reserve (see Note 4)

	2024	2023
Initial recognition of guaranty asset at fair value:		
MNSPL (Notes 10 and 26)	**₱9,104,076**	₱9,104,076
Investments:		
MMYSC	**(532,573)**	(532,573)
MNTH	**(115,390)**	(115,390)
KBT	**43,408**	43,408
MNAC	**(7,733)**	(7,733)
Equity reserve arising from noninterest-bearing loan	**(659)**	–
	₱8,491,129	₱8,491,788

Cumulative Translation Adjustments

Cumulative translation adjustments attributable to equity holders of the Parent Company are as follows:

	2024	2023
Foreign investments:		
MNSPL	**(₱1,119,497)**	(₱2,149,989)
MNIIL	**(184,810)**	(185,267)
MNTH	**145,797**	(15,113)
MIL	**999**	(50,181)
Cross currency swap:		
MNC (Note 26)	**(675,136)**	(492,938)
	(₱1,832,647)	(₱2,893,488)

Earnings (Loss) per Share (EPS)

The following reflects the income and share data used in the basic EPS computation:

	2024	2023	2022
Net income (loss) attributable to equity holders of the parent:	**₱445,848**	(₱636,408)	(₱13,020,512)
Weighted average number of common shares	**17,968,611,496**	17,968,611,496	17,968,611,496
Basic EPS	**₱0.02**	(₱0.04)	(₱0.72)

The Parent Company has no potentially dilutive shares as at December 31, 2024, 2023 and 2022. Thus, the basic and diluted earnings (loss) per share in 2024, 2023 and 2022 are the same for each of the three years presented.

19. **Net Sales and Cost of Goods Sold**

Net Sales by Geography and Operating Segment

	2024	2023	2022
APAC BFB			
Philippines	**₱64,665,271**	₱61,587,481	₱55,017,990
Other Countries	**4,863,213**	4,354,473	3,473,079
	69,528,484	65,941,954	58,491,069
Meat Alternative			
United Kingdom	**10,685,625**	11,153,610	11,870,824
United States	**757,567**	858,872	1,318,628
Other Countries	**2,148,380**	2,215,031	2,200,188
	13,591,572	14,227,513	15,389,640
	₱83,120,056	₱80,169,467	₱73,880,709

All revenues are recognized at a point in time.

Cost of Goods Sold

	2024	2023	2022
Direct materials	**₱40,865,595**	₱42,013,958	₱39,364,367
Direct labor (Note 21)	**3,209,976**	3,051,851	2,844,961
Manufacturing overhead:			
Depreciation and amortization (Notes 12 and 13)	**2,184,426**	2,215,656	2,206,038
Repairs and maintenance	**1,316,253**	1,543,080	1,533,256
Light and water	**1,270,376**	1,403,750	1,831,431
Plant utilities and other consumption	**1,226,907**	1,064,543	1,149,296
Indirect labor (Note 21)	**1,145,029**	1,022,838	1,048,336
Steam	**529,087**	615,585	787,575
Rent (Notes 23 and 25)	**27,053**	29,003	23,416
Others	**2,004,233**	1,957,994	1,661,564
Total manufacturing costs	**53,778,935**	54,918,258	52,450,240
Inventory movements (Note 7):			
Work in-process	**460,914**	155,336	(287,994)
Finished goods	**190,540**	368,109	(1,241,491)
	₱54,430,389	₱55,441,703	₱50,920,755

20. Sales, General and Administrative Expenses

General and Administrative Expenses

	2024	2023	2022
Salaries, wages and employee benefits (Note 21)	**₱4,289,464**	₱4,308,889	₱4,388,113
Outside services	**1,508,709**	989,157	767,777
Depreciation and amortization (Notes 12, 13 and 21)	**503,495**	556,310	507,624
Repairs and maintenance	**230,145**	198,740	255,190
Insurance	**225,182**	241,737	255,793
Taxes and licenses	**182,040**	172,857	253,293
Research and development	**164,528**	285,341	226,759
Membership and subscription	**164,511**	117,578	29,067
Traveling expenses	**150,567**	85,604	8,247
Light, water, and telecommunication	**112,524**	96,710	46,505
Fringe benefit tax	**96,139**	109,564	125,673
Warehouse and office supplies	**80,940**	65,482	118,383
Provision for ECL (Notes 6 and 9)	**69,420**	7,750	13,308
Rent (Notes 23 and 25)	**61,443**	63,844	37,833
Donations	**55,247**	11,261	26,839
Recruitment and training expenses	**26,785**	40,216	23,055
Bank charges	**19,829**	12,414	10,997
Inventory loss	**–**	112,055	192,012
Others	**412,250**	299,527	301,279
	₱8,353,218	₱7,775,036	₱7,587,747

Selling and Distribution Expenses

	2024	2023	2022
Transportation and delivery	**₱3,444,163**	₱3,190,551	₱3,017,221
Advertising and promotions	**3,431,178**	2,999,834	3,695,859
Merchandising expense	**743,261**	735,248	625,376
Dealer support	**38,411**	112,132	157,898
	₱7,657,013	₱7,037,765	₱7,496,354

Impairment Loss

	2024	2023	2022
Intangible assets (Notes 3 and 13)	**₱3,871,692**	₱6,177,108	₱20,546,597
Property, plant and equipment - net (Notes 3 and 12)	**2,903,352**	7,094,546	825,900
Investments in associates and joint venture (Notes 3 and 11)	**20,886**	–	1,141
	₱6,795,930	₱13,271,654	₱21,373,638

21. Finance Income and Costs, Depreciation and Amortization Expense, Personnel Costs and Miscellaneous Income

Finance Income

	2024	2023	2022
Cash and cash equivalents (Note 5)	**₱552,701**	₱410,130	₱132,808
Loans receivable (Note 9 and 27)	**21,572**	17,984	15,788
Amortization of financing cost (Note 9)	**4,511**	–	–
Amortization of discount on security deposit	**493**	–	–
	₱579,277	₱428,114	₱148,596

Finance Costs

	2024	2023	2022
Interest on loans payable (Note 17)	**₱294,429**	₱353,188	₱53,274
Interest expense on lease liabilities (Note 25)	**177,078**	183,877	182,919
Acceptance and trust receipts payable (Note 16)	**112,317**	99,038	68,008
Loss on loan modification (Note 9)	**83,746**	–	–
Amortization of debt issue costs on loans payable (Note 17)	**48,244**	45,244	86,624
Others	**22,785**	12	25,700
	₱738,599	₱681,359	₱416,525

Personnel Costs

	2024	2023	2022
Cost of goods sold:			
Direct labor (Note 19)	**₱3,206,966**	₱3,002,431	₱2,806,038
Indirect labor (Note 19)	**1,145,029**	1,022,838	1,048,336
Retirement expense (Notes 19 and 22)	**3,010**	49,420	38,923
Sales, general and administrative expenses:			
Salaries and wages (Note 20)	**3,080,167**	3,478,652	3,536,226
Employee benefits (Note 20)	**987,999**	767,005	779,465
Retirement expense (Notes 20 and 22)	**221,298**	63,232	72,422
	₱8,644,469	₱8,383,578	₱8,281,410

Depreciation and Amortization Expense

	2024	2023	2022
Property, plant and equipment (Note 12)	**₱2,548,048**	₱2,676,723	₱2,627,760
Intangible assets (Note 13)	**139,873**	95,243	85,902
	₱2,687,921	₱2,771,966	₱2,713,662

	2024	2023	2022
Cost of goods sold (Note 19)	**₱2,184,426**	₱2,215,656	₱2,206,038
Sales, general and administrative expense (Note 20)	**503,495**	556,310	507,624
	₱2,687,921	₱2,771,966	₱2,713,662

Miscellaneous Income

Miscellaneous income mainly comprises of service fees charged by the Parent Company primarily for reimbursement of share of principals in common expenses, gain/loss on sale of property, plant and equipment, reversal of ECL and other miscellaneous items which are recorded under the "Miscellaneous income" account in the consolidated statements of comprehensive income.

22. Pension Plan

The Parent Company and certain subsidiaries maintain noncontributory and defined benefit retirement plans covering substantially all their regular employees. The benefit plan is paid in a lump sum upon retirement or separation. These benefits are funded by the Group. Contributions and costs are determined in accordance with the actuarial study made for the plan. The latest actuarial valuation report is December 31, 2024.

The Group's plan assets are managed and maintained by a local bank. The Group appointed a local trustee bank as the retirement plan trustee. The trustee bank is responsible for the general administration of the retirement plan and the management of the retirement fund. As the administrator of the retirement plan, the trustee bank is responsible for the ultimate control, disposition, or management of the money received or contributed.

Changes in the net defined benefit liability in 2024 and 2023 follow:

		Recognized in profit or loss				Remeasurements in OCI						
	January 1, 2024	**Current Service Cost**	**Net Interest Cost**	**Subtotal**	**Benefits Paid**	**Actuarial Changes Arising from Financial Assumptions**	**Actuarial Changes Arising from Demographic Assumptions**	**Actuarial Changes Arising from Changes in Experience Adjustments**	**Remeasurement Gain on Plan Asset**	**Subtotal**	**Foreign Currency Translation Adjustments**	**December 31, 2024**
Present value of defined benefit obligation	**(₱1,517,221)**	**(₱160,634)**	**(₱92,031)**	**(₱252,665)**	**₱128,044**	**(₱8,157)**	**(₱645)**	**(₱82,121)**	**₱–**	**(₱90,923)**	**₱5,614**	**(₱1,727,151)**
Fair value of plan asset	**509,974**	**–**	**28,357**	**28,357**	**(95,918)**	**–**	**–**	**–**	**(169)**	**(169)**	**–**	**442,244**
Net pension liability	**(₱1,007,247)**	**(₱160,634)**	**(₱63,674)**	**(₱224,308)**	**₱32,126**	**(₱8,157)**	**(₱645)**	**(₱82,121)**	**(₱169)**	**(₱91,092)**	**₱5,614**	**(₱1,284,907)**

		Recognized in profit or loss				Remeasurements in OCI						
	January 1, 2023	Current Service Cost	Net Interest Cost	Subtotal	Benefits Paid	Actuarial Changes Arising from Financial Assumptions	Actuarial Changes Arising from Demographic Assumptions	Actuarial Changes Arising from Changes in Experience Adjustments	Remeasurement Gain on Plan Asset	Subtotal	Foreign Currency Translation Adjustments	December 31, 2023
Present value of defined benefit obligation	(₱1,062,241)	(₱74,697)	(₱75,489)	(₱150,186)	₱101,358	(₱247,121)	(₱79,915)	(₱79,133)	₱–	(₱406,169)	₱17	(₱1,517,221)
Fair value of plan asset	555,811	–	37,534	37,534	(74,580)	–	–	–	(8,791)	(8,791)	–	509,974
Net pension liability	(₱506,430)	(₱74,697)	(₱37,955)	(₱112,652)	₱26,778	(₱247,121)	(₱79,915)	(₱79,133)	(₱8,791)	(₱414,960)	₱17	(₱1,007,247)

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions. The trustee has no specific matching strategy between the plan assets and the retirement obligation. The Group is not required to pre-fund the defined benefit obligation before they become due. The amount and timing of contributions to the retirement fund are at the Group's discretion.

The carrying value and fair value of plan assets by each class as at the end of the reporting period are as follow:

	2024	2023
Debt instruments:		
Fixed rate treasury notes and retail treasury bonds	**₱369,262**	₱424,624
Corporate bond and fixed-rate notes	**65,174**	67,617
Investments in UITF	**2,193**	12,550
Cash and cash equivalents	**520**	9
Others	**5,681**	5,786
Liabilities	**(586)**	(612)
	₱442,244	₱509,974

The plan assets have diverse investments and do not have any concentration risk.

The costs of defined benefit pension plans as well as the present value of the pension obligation are actuarially determined using projected unit credit method. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension benefit obligations for the defined benefit plans are shown below:

	2024	2023
Discount rate	**2.76-6.14%**	2.76-6.17%
Salary increase rate	**5.00-9.00%**	5.00-6.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023, assuming if all other assumptions were held constant:

		2024	2023
	Increase(decrease)	**Effect on Defined Benefit Obligation**	
Discount rates	**1.00%**	**(₱152,757)**	(₱135,199)
	(1.00%)	**180,928**	159,606
Future salary increases	**1.00%**	**179,519**	158,434
	(1.00%)	**(154,410)**	(136,714)

The average duration of the defined benefit obligation at the end of the reporting period is 9.70–15.50 years in 2024 and 9.20–19.30 years in 2023.

Shown below is the expected future benefit payment:

Financial Year	**2024**	2023
Year 1	**₱218,594**	₱178,320
Years 2–5	**433,499**	387,399
Years 6–10	**992,942**	921,773

23. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The Parent Company has Material Related Party Transaction Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The following are the significant transactions with related parties:

Nature	Year	Volume of Transactions	Outstanding Balance	Terms	Conditions
Associates and joint ventures					
MLI					
Rent expense	**2024**	**₱56,084**	**(₱5,234)**	15 days;	Unsecured
	2023	64,808	–	Noninterest-bearing	
	2022	64,603	–		
Miscellaneous income	**2024**	**17**	**3**	60 days;	Unsecured
	2023	–	–	Noninterest-bearing	
	2022	–	–		
MMBC					
Miscellaneous income	**2024**	**–**	**–**	30 days;	Unsecured;
	2023	–	–	Noninterest-bearing	No impairment
	2022	–	33,751		
Trade purchases, net	**2024**	**–**	**–**	30 days;	Unsecured
	2023	–	–	Noninterest-bearing	
	2022	17,748	–		
Honey Droplet Ltd.					
Advances and interest income (Note 9)	**2024**	**–**	**–**	4-6 years;	Unsecured;
	2023	–	–	Interest-bearing	Gross advances amounted to ₱115.3 million in 2024 and 2023; fully impaired in 2024 and 2023
	2022	–	–		
CHTI					
Transportation and delivery expense and wheat handling fees	**2024**	**316,796**	**(42,845)**	15 days;	Unsecured
	2023	324,596	(49,204)	Noninterest-bearing	
	2022	300,339	(14,578)		
Common shareholders					
PT. Nissin Biscuit Indonesia					
Trade purchases, net	**2024**	**49,671**	**3,883**	45 days;	Unsecured
	2023	46,075	–	Noninterest-bearing	
	2022	62,564	–		
MNSG Holdings Pte. Ltd.					
Guaranty asset	**2024**	**(2,303,442)**	**8,128,814**	Refer to Notes 10 and 26	
	2023	10,432,256	10,432,256		
	2022	–	–		
Loans receivable - net (Notes 9 and 21)*	**2024**	**–**	**91,493**	2 years;	Unsecured
	2023	–	172,305	Interest-bearing	
	2022	–	162,300		
Trade and other receivables (Note 6)	**2024**	–	**3**		
	2023	–	–		
	2022	–	33,751		
Loans receivable - net (Notes 9 and 21)*	**2024**	–	**91,493**		
	2023	–	172,305		
	2022	–	162,300		

(Forward)

Nature	Year	Volume of Transactions	Outstanding Balance	Terms	Conditions
Trade and other payables - net (Note 15)	**2024**	**₱–**	**(₱44,916)**		
	2023	–	(49,204)		
	2022	–	(14,578)		
Advances to employees (Note 14)	**2024**	**9,333**	**99,924**	1-5 years;	Unsecured
	2023	20,814	90,591	Noninterest-bearing	
	2022	866	69,777		

**Presented under "noncurrent receivables" in 2024 and "current financial assets" in 2023*

These transactions with related parties will be settled through cash.

Trade and other receivables and payables to related parties that were eliminated upon consolidation amounted to ₱3,324.5 million in 2024 and ₱2,811.4 million in 2023.

MMBC
On May 31, 2016, the Parent Company entered into a Distributorship Agreement with MMBC, wherein MMBC engaged the services of the Parent Company to handle warehousing, selling, billing, delivery and merchandising of MMBC's products. The agreement shall continue in force until cancelled or terminated by either party at any time with or without cause.

Wide Faith Foods Co. Ltd.
On November 17, 2015, the Parent Company entered into a Guarantee Agreement with The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch, to guarantee the ₱141.4 million ($3.0 million) loan of Wide Faith Foods Co. Ltd.

Compensation of Key Management Personnel

	2024	2023	2022
Short-term employee benefits	**₱1,586,878**	₱1,451,857	₱1,319,181
Post-employment benefits	**76,413**	147,541	57,494
	₱1,663,291	₱1,599,398	₱1,376,675

24. Income Tax

OECD Pillar Two model rules
The Group is within the scope of Global Minimum Tax ("GMT") under the OECD Pillar Two model rules ("Pillar Two") since it has annual consolidated group revenues exceeding €750.0 million (₱45,900.0 million). Under the Pillar Two legislation, a company is liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction and a 15% minimum rate.

Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions (i.e., United Kingdom, Germany, Sweden and Netherlands) where the Group operates effective beginning January 1, 2024. Further in 2024, Singapore, Thailand, and New Zealand have enacted Pillar Two model rules effective for businesses with financial years starting on or after January 1, 2025.

As a result, the Group has performed an assessment of the potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the tax filings, country-by-country reporting, and financial statements for the covered entities of the Group.

There is also a transitional “safe-harbour” under the rules which, if passed for a given country, automatically means no GMT liability will arise in respect of that country. All entities within the Group will pass the transitional safe harbour test.

Based on the assessment, the Group does not expect material exposure to Pillar Two top up taxes and has no related current tax exposure.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position, and cash flows.

The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to GMT taxes.

Current Income Tax

A reconciliation of the provision for income tax computed at the applicable statutory tax rate of the Group to provision for income tax as shown in the consolidated statements of comprehensive income is as follows:

	2024	2023	2022
Provision for income tax computed at applicable statutory tax rate (17% to 25%)	**(₱1,338,564)**	(₱1,761,405)	(₱7,701,800)
Income tax effects of:			
Nondeductible expenses	**3,157,050**	2,305,545	9,782,829
Change in unrecognized DTA	**2,573,042**	(165,847)	(93,028)
Nontaxable income	**(1,052,475)**	(1,094,971)	(553,752)
Benefit from OSD	**(136,898)**	(123,693)	(59,160)
Interest income already subjected to final tax and not subject to tax	**(118,992)**	(94,580)	(35,281)
Nondeductible interest expense	**25,572**	19,392	7,287
Expired and applied NOLCO	**(374)**	140	104,510
Net deferred tax on unremitted interest income	**(288)**	(49,194)	48,542
Difference in tax rate of temporary differences	**(729)**	(211,348)	(311,170)
Others	**(45,409)**	(44,591)	(60,024)
	₱3,061,935	(₱1,220,552)	₱1,128,953

Deferred Income Tax
The components of the Group's net deferred tax assets and net deferred tax liabilities are as follow:

	2024	2023
Deferred tax assets - net		
Lease liabilities	**₱685,135**	₱622,531
Right-of-use assets	**(616,286)**	(568,280)
Pension liability	**308,097**	237,520
Allowance for impairment loss	**259,153**	337,806
Accrued expenses	**157,813**	95,474
Refund liabilities	**94,696**	101,669
Derivative liability	**72,151**	27,064
Unrealized profits from intercompany sales	**36,042**	23,356
Excess of the tax base over the carrying amounts of non-monetary assets	**14,545**	11,280
Unamortized past service cost	**7,133**	8,452
Unrealized foreign exchange gain	**(5,859)**	(23,653)
NOLCO	**1,657**	8,420
Allowance for ECL	**1,582**	4,410
Allowance for inventory obsolescence	**1,491**	43,288
Advances from customers	–	14,634
Others	**(9,848)**	(7,006)
	1,007,502	936,965
Deferred tax liabilities - net		
Brand	**(1,185,900)**	(2,033,658)
NOLCO	**913,198**	722,985
Interest expense	**444,738**	394,536
Property, plant and equipment	**(211,609)**	530,984
Unrealized foreign exchange gain	**(2,257)**	–
Interest income	**(1,064)**	(754)
Others	**10,627**	4,170
	(32,267)	(381,737)
	₱975,235	₱555,228

The reconciliation of the Group's deferred taxes is as follows:

	2024	2023
Beginning balance	**₱555,228**	(₱3,451,821)
Provision for deferred income tax during the period recognized in profit or loss	**303,179**	4,021,724
Provision for deferred income tax during the period recognized in OCI	**21,753**	99,806
Currency translation adjustments	**95,075**	(114,481)
Deferred tax liabilities, ending	**₱975,235**	₱555,228

In 2023, the Group reversed deferred tax liabilities on brands and property, plant and equipment amounting to ₱3,283.0 million as a result of the additional impairment recognized during the year.

The following deferred tax assets were not recognized in the consolidated financial statements since management believes that it will not be utilized in the future:

	2024	2023
Unused NOLCO	**₱1,900,936**	₱721,452
Allowance for impairment loss	**30,601**	30,600
Right-of-use assets and lease liabilities	**9,875**	8,348
Inventory obsolescence	**7,782**	6,882
Asset retirement obligation	**5,219**	4,944
MCIT	**4,189**	4,200
Unrealized foreign exchange loss	–	2,085
Others	**1,177**	154
	₱1,959,779	₱778,665

As at December 31, 2024 and 2023, deferred tax liability on undistributed earnings of subsidiaries amounting to ₱436.7 million and ₱397.6 million , respectively, was not recognized since the Parent Company controls the dividend policy of its subsidiaries, hence, it is able to control the timing of the reversal of the temporary difference with these subsidiaries and such temporary difference is not seen to reverse in the foreseeable future. Deferred tax assets on cumulative translation adjustments amounted to ₱458.2 million, and ₱723.4 million as at December 31, 2024 and 2023, respectively, were not recognized since it is not probable that taxable profit will be available against which the temporary difference can be utilized.

The balances of unused NOLCO with their corresponding years of expiration, are as follows:

Year Incurred	Expiry Year	NOLCO	MCIT
Philippine Entities			
2020	2025	₱225,237	₱–
2021	2026	1,123	–
2021	2024	–	1,521
2022	2025	731	804
2023	2026	956	2,036
2024	2027	–	1,349
		228,047	5,710
Expired during the year		–	(1,521)
Applied during the year		(33,689)	–
		194,358	4,189
MNSPL			
2018	N/A	36,254	–
2019	N/A	203,663	–
2020	N/A	118,401	–
2021	N/A	142,600	–
2022	N/A	132,768	–
2023	N/A	176,813	–
		810,499	–
		₱1,004,857	₱4,189

In 2022, the recognized deferred tax asset on unutilized NOLCO of MNSPL was derecognized due to uncertainty of its recoverability. Subject to qualifying conditions, the unutilized tax losses can be carried forward indefinitely.

In 2023, a deferred tax asset is recognized in respect of interest deductions that have been restricted in MFL and MNUK. The deferred tax was recognized on the basis that it can be offset against the deferred tax liability in respect of the brand intangible.

Board of Investments Incentive
In 2024, the Parent Company was registered with the Board of Investments (BOI) as a Domestic Market Enterprise for the production of Butter Coconut Biscuits in its Davao manufacturing plant. The Parent Company was granted fiscal incentives which include Income Tax Holiday (ITH) period five (5) years subject to the provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 11534, or the Corporate Recovery and Tax Incentives for Enterprise (CREATE) Act, and the terms and conditions of the Registration Agreement. The ITH period shall be reckoned from September 17, 2024, as the project's actual date of start of commercial operations.

MMYSC
MMYSC's current provision for income tax is computed based on Optional Standard Deduction (OSD) in accordance with Revenue Regulation (RR) No. 16-2008, *Implementing the Provisions of Section 34(L) of the Tax Code of 1997, As Amended by Section 3 of Republic Act No. 9504, Dealing on the Optional Standard Deduction Allowed to Individuals and Corporations in Computing Their Taxable Income.* The OSD is equivalent to 40% of gross income, as provided by law, in lieu of the itemized allowable deductions.

The OSD results in an effective tax rate of 15% in 2024 and 2023 for the years in which OSD is projected to be utilized. The availment of OSD affected the recognition of deferred tax assets and liabilities on income and expenses that are not considered in the determination of gross income for income tax purposes. MMYSC forecasts that it will continue to avail of the OSD, such that the manner by which it will recover or settle the underlying assets and liabilities, for which the deferred tax assets and liabilities were initially recognized, would not result in any future tax consequence under OSD.

MNUKL
The main rate of UK corporation tax increased from 19% to 25% on April 1, 2023. The increase in rate was substantively enacted on May 24, 2021, and the impact of this rate change has been reflected in the measurement of recognized deferred tax valances at December 31, 2024 and 2023.

MNTH
Under the Investment Promotion Act B.E. 2520, the Thailand BOI granted MNTH promotional privileges subject to certain imposed conditions. Significant tax privileges include the following:

Certificate No.	64-0754-1-00-1-0
Grant date	June 2021
Nature	For manufacturing of dehydrated foods
Significant privileges:	
Exemption from corporate income tax for profit from promoted operations	6 years, capped at THB 469.2 million
Exemption from import duty on approved machinery	Granted
Exemption from import duty on raw materials and significant supplies used in production for export	Granted
Date of first earning operating income	Not yet utilized

25. **Leases**

Parent Company
The Parent Company leases various real estate properties for its plant sites, warehouses, and office spaces. The most significant of these lease agreements is the lease agreement with MLI, for its plant sites in Sta. Rosa Laguna, Cebu, and Davao. The agreements are for periods of 25 to 50 years, renewable for another 25 years. Under the terms of the leases, in the event that the lessor decides to sell the leased property, the Parent Company shall have the first option to buy the said property subject to the constitutional limitations on the ownership of land.

On June 24, 2020, the Parent Company entered into agreements with Science Park of the Philippines for the lease of certain parcels of land in San Fernando, Malvar, Batangas to be used for various operational activities. The lease agreements are valid for 50 years, up to 2095, and are automatically renewable for another 25 years.

On November 15, 2024, the Parent Company entered into an agreement with Atlantic Grains Inc. (AGI) for the lease of certain parcels of land in Calaca City, Batangas to be used for various operational activities. The lease agreement is valid for 50 years up to 2074 subject to automatic renewal for another 25 years.

The Parent Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Parent Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The undiscounted potential future rental payments relating to periods following the exercise date of extension options not within the control of lessee that are not included in the lease term amounted to ₱94.5 million as at December 31, 2024 and 2023. The extension options not included are exercisable in 2030.

MMYSC
MMYSC leases real estate properties for a period of 50 years up to 2052 from Monde Rizal, an associate through KBT, renewable for another 25 years. MMYSC also entered into another lease agreement for the lease of real property for a period of 10 years.

On March 1, 2024, MMYSC entered into a lease agreement with TIPCO Estates Corporation for the lease of certain industrial lots inside the TECO Industrial Park located in Mabalacat, Pampanga to be used for various operational activities. The lease agreement is valid for 50 years and is renewable for another 25 years.

MNTH
MNTH entered into several lease agreements in respect of the lease of its office building space and transport service agreements. The terms of the agreements are generally between 1 and 3 years.

There are no new lease contracts that have not yet commenced as at December 31, 2024.

MNUKL
In 2022, new leases entered into by MNUKL included an office in the Netherlands and several replacement motor cars most of which are electric for fossil fuel substitutions.

In 2021, MNUKL has entered into various lease agreements. The most significant agreements pertain to a 6-year lease contract of an office building in United States amounting to ₱58.3 million (£0.9 million) and a 5-year lease contract of a fleet of forklift trucks at three United Kingdom sites amounting to ₱40.8 million (£0.6 million). In 2023, the office lease in United States is terminated and the overall fleet of motor vehicles has reduced. The leased car fleet is now comprised mostly of electric or dual fuel vehicles.

The following are the amounts recognized in consolidated statement of comprehensive income:

	2024	2023	2022
Interest expense on lease liabilities (Note 21)	**₱177,078**	₱183,877	₱182,919
Depreciation expense of right-of-use assets included in property, plant and equipment (Note 12)	**172,191**	171,859	187,508
Expenses relating to short-term leases (Notes 19 and 20)	**49,199**	81,501	37,833
Expenses relating to leases of low-value assets (Notes 19 and 20)	**39,297**	11,346	23,416
	₱437,765	₱448,583	₱431,676

The movements in the Group's lease liabilities are as follows:

	2024	2023
Balance at beginning of year	**₱2,682,867**	₱2,810,167
Payment of principal portion of lease liabilities	**(1,325,800)**	(332,604)
Additions (Note 12)	**1,094,676**	21,427
Accretion of interest (Note 21)	**177,078**	183,877
Disposal (Note 12)	**(29,056)**	–
	2,599,765	2,682,867
Less: Current portion	**77,620**	89,121
	₱2,522,145	₱2,593,746

The maturity analysis of lease liabilities is disclosed in Note 26.

26. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, loans receivable, noncurrent receivables and advances to employees. The main purpose of these financial instruments is to fund the Group's operations. The Group has various other financial instruments such as accounts payable and other current liabilities, acceptance and trust receipts payable, and loan payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The BOD reviews and agrees the policies for managing each of these risks and they are summarized below:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables, accounts payable and other current liabilities, and loans payable.

The sensitivity analyses in the following sections relate to the position as at December 31, 2024 and 2023. The sensitivity of the relevant statement of other comprehensive income item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at December 31, 2024 and 2023.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest Rate Sensitivity. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase (Decrease) in Basis Points	Effect on Income Before Tax
2024	**+100**	**₱32,053**
	-100	**(32,053)**
2023	+100	₱50,128
	-100	(50,128)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The table below summarizes the Group's significant foreign currency-denominated financial assets and liabilities (impact of other currencies is not material) as at December 31:

	2024				
	Original Currency				
	USD	**EUR**	**JPY**	**THB**	**Peso Equivalent**
Financial Assets					
Cash and cash equivalents	**$54,737**	**€410**	**¥–**	**฿1,159,247**	**₱5,156,438**
Financial assets at FVTPL*	**22,142**	**–**	**–**	**–**	**1,283,771**
Trade and other receivables	**29,567**	**1,186**	**–**	**275,728**	**2,251,614**
	106,446	**1,596**	**–**	**1,434,975**	**8,691,823**
Financial Liabilities					
Accounts payable and other current liabilities	**35,732**	**2,338**	**9,636**	**337,347**	**2,786,254**
	35,732	**2,338**	**9,636**	**337,347**	**2,786,254**
Net Financial Assets (Liabilities)	**$70,714**	**(€742)**	**(¥9,636)**	**฿1,097,628**	**₱5,905,569**

**Presented under current financial assets*

	2023				
	Original Currency				
	USD	EUR	JPY	THB	Peso Equivalent
Financial Assets					
Cash and cash equivalents	$52,856	€735	¥–	฿1,113,607	₱4,765,957
Financial assets at FVTPL*	10,355	–	–	–	573,513
Trade and other receivables	40,569	1,956	–	156,184	2,618,372
	103,780	2,691	–	1,269,791	7,957,842
Financial Liabilities					
Accounts payable and other current liabilities	17,498	2,821	74,691	265,417	1,598,871
	17,498	2,821	74,691	265,417	1,598,871
Net Financial Assets (Liabilities)	$86,282	(€130)	(¥74,691)	฿1,004,374	₱6,358,971

**Presented under current financial assets*

In translating the foreign currency-denominated financial instruments into Philippine peso amounts, the exchange rates used are as follows:

	Currency			
Year	USD ($)	EUR (€)	JPY (¥)	THB (฿)
2024	**₱57.98**	**₱60.39**	**₱0.37**	**₱1.69**
2023	₱55.39	₱61.31	₱0.39	₱1.61

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. Dollar, European Euro, Japanese Yen, and Thai Baht for the next period, with all other variables held constant, of the Group's income before tax. The reasonably possible change in exchange rate was based on forecasted exchange rate changes within the next two months after the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2024		2023	
	Movement in Foreign Exchange Rate Increase (Decrease)	**Effect on Income Before Tax**	Movement in Foreign Exchange Rate Increase (Decrease)	Effect on Income Before Tax
U.S. dollar	**4.68%**	**₱191,877**	0.66%	₱31,540
	(4.68%)	**(191,877)**	(0.66%)	(31,540)
European euro	**1.51%**	**(677)**	2.95%	(235)
	(1.51%)	**677**	(2.95%)	235
Japanese yen	**6.04%**	**(215)**	5.91%	(1,734)
	(6.04%)	**215**	(5.91%)	1,734
Thailand baht	**4.88%**	**90,475**	0.17%	2,750
	(4.88%)	**(90,475)**	(0.17%)	(2,750)

The Group's exposure to foreign currency changes for all other currencies is not material.

<u>Credit Risk</u>
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Since the Group trades only with recognized third parties, there is no requirement for collateral.

Maximum exposure to credit risk. The table below shows the maximum exposure to credit risk for the Group's financial assets, without taking account any collateral and other credit enhancements:

	2024	2023
Financial assets at amortized cost		
Cash and cash equivalents*	**₱14,157,155**	₱16,677,637
Trade and other receivables	**7,709,717**	6,410,138
Noncurrent receivables	**1,320,296**	–
Loans receivable**	–	672,305
Advances to employees***	**99,924**	90,591
Financial assets at FVTPL		
Guaranty asset	**8,128,814**	10,432,256
Others****	**1,812,489**	2,042,058
Financial assets at FVOCI	**813,971**	600,701
Refundable security deposit*****	**188,682**	–
Total credit risk exposure	**₱34,231,048**	₱36,925,686

** Excluding cash on hand amounting to ₱1.0 million in 2024 and ₱1.3 million in 2023.*
***Recorded under "current financial assets" in 2024 and 2023.*
****Recorded under "other noncurrent assets".*
*****UITF and other derivatives recorded under "current financial assets".*
****** Including the discount recognized as ROU.*

Aging analysis. The aging analysis of financial assets follows:

	2024						
		Days Past Due					
	Current	**1–30 Days**	**31–60 Days**	**61–90 Days**	**More than 90 Days**	**ECL**	**Total**
Financial assets at amortized cost							
Cash and cash equivalents*	**₱14,157,155**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱14,157,155**
Trade and other receivables	**6,637,815**	**959,055**	**55,830**	**43,200**	**13,817**	**6,854**	**7,716,571**
Noncurrent receivables	**1,320,296**	–	–	–	–	**115,266**	**1,435,562**
Advances to employees**	**99,924**	–	–	–	–	–	**99,924**
	22,215,190	**959,055**	**55,830**	**43,200**	**13,817**	**122,120**	**23,409,212**
Financial asset at FVTPL							
Guaranty asset	**8,128,814**	–	–	–	–	–	**8,128,814**
Others***	**1,812,489**	–	–	–	–	–	**1,812,489**
Financial assets at FVOCI	**813,971**	–	–	–	–	–	**813,971**
Refundable security deposit****	**188,682**	–	–	–	–	–	**188,682**
	10,943,956	–	–	–	–	–	**10,943,956**
	₱33,159,146	**₱959,055**	**₱55,830**	**₱43,200**	**₱13,817**	**₱122,120**	**₱34,353,168**

** Excluding cash on hand amounting to ₱1.0 million.*
***Recorded under "other noncurrent assets".*
****UITF and other derivatives recorded under "current financial assets".*
*****Including the discount recognized as ROU.*

	2023						
		Days Past Due					
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Financial assets at amortized cost							
Cash and cash equivalents*	₱16,677,637	₱–	₱–	₱–	₱–	₱–	₱16,677,637
Trade and other receivables	5,647,891	691,506	43,389	16,937	10,415	23,532	6,433,670
Loans receivable**	672,305	–	–	–	–	115,266	787,571
Advances to employees***	90,591	–	–	–	–	–	90,591
	23,088,424	691,506	43,389	16,937	10,415	138,798	23,989,469
Financial asset at FVTPL							
Guaranty asset	10,432,256	–	–	–	–	–	10,432,256
Others****	2,042,058	–	–	–	–	–	2,042,058
Financial assets at FVOCI	600,701	–	–	–	–	–	600,701
	13,075,015	–	–	–	–	–	13,075,015
	₱36,163,439	₱691,506	₱43,389	₱16,937	₱10,415	₱138,798	₱37,064,484

** Excluding cash on hand amounting to ₱1.3 million.*
***Recorded under "current financial assets".*
****Recorded under "other noncurrent assets".*
*****UITF and other derivatives recorded under "current financial assets".*

Credit risk under general and simplified approach

	2024				
	General Approach			Simplified	
	Stage 1	**Stage 2**	**Stage 3**	**Approach**	**Total**
Financial assets at amortized cost					
Cash and cash equivalents*	**₱14,157,155**	**₱–**	**₱–**	**₱–**	**₱14,157,155**
Trade and other receivables	**68,252**	**–**	**–**	**7,648,319**	**7,716,571**
Advances to employees**	**99,924**	**–**	**–**	**–**	**99,924**
Noncurrent receivables	**1,320,296**	**–**	**115,266**	**–**	**1,435,562**
	15,645,627	**–**	**115,266**	**7,648,319**	**23,409,212**
Financial asset at FVTPL					
Guaranty asset	**8,128,814**	**–**	**–**	**–**	**8,128,814**
Others***	**1,812,489**	**–**	**–**	**–**	**1,812,489**
Financial assets at FVOCI	**813,971**	**–**	**–**	**–**	**813,971**
Refundable security deposit****	**188,682**	**–**	**–**	**–**	**188,682**
	₱26,589,583	**₱–**	**₱115,266**	**₱7,648,319**	**₱34,353,168**

** Excluding cash on hand amounting to ₱1.0 million.*
***Recorded under "current financial assets".*
****UITF and other derivatives recorded under "current financial assets".*
*****Including the discount recognized as ROU.*

	2023				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
Financial assets at amortized cost					
Cash and cash equivalents*	₱16,677,637	₱–	₱–	₱–	₱16,677,637
Trade and other receivables	65,963	–	–	6,367,707	6,433,670
Advances to employees**	90,591	–	–	–	90,591
Loans receivable***	672,305	–	115,266	–	787,571
	17,506,496	–	115,266	6,367,707	23,989,469
Financial asset at FVTPL					
Guaranty asset	10,432,256	–	–	–	10,432,256
Others****	2,042,058	–	–	–	2,042,058
Financial assets at FVOCI	600,701	–	–	–	600,701
	₱30,581,511	₱–	₱115,266	₱6,367,707	₱37,064,484

** Excluding cash on hand amounting to ₱1.3 million.*
***Recorded under "current financial assets".*
****Recorded under "other noncurrent assets".*
*****UITF and other derivatives recorded under "current financial assets".*

Simplified Approach. Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

	2024							
		Days Past Due						
	Current	**<30 days**	**30-60 days**	**61-90 days**	**91-120 days**	**121-365 days**	**>365 days**	**Total**
Expected credit loss rate	**0.02%**	**0.09%**	**0.98%**	**2.31%**	**4.01%**	**9.40%**	**100.00%**	
Estimated total gross carrying amount at default	**₱6,569,563**	**₱959,055**	**₱41,672**	**₱43,200**	**₱12,818**	**₱21,181**	**₱830**	**₱7,648,319**
Expected credit loss	**₱1,233**	**₱877**	**₱408**	**₱1,000**	**₱515**	**₱1,991**	**₱830**	**₱6,854**

	2023							
		Days Past Due						
	Current	<30 days	30-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Expected credit loss rate	0.04%	0.11%	1.40%	3.24%	5.32%	8.46%	100.00%	
Estimated total gross carrying amount at default	₱5,581,928	₱691,506	₱43,389	₱16,937	₱8,225	₱7,333	₱18,389	₱6,367,707
Expected credit loss	₱2,141	₱789	₱607	₱548	₱437	₱621	₱18,389	₱23,532

Liquidity Risk

Liquidity risk is the risk the Group will be unable to meet its payment obligations when they fall due. The Group monitors and maintains a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease contracts. The Group's policy is that not more than 50% of long-term debt should mature in the next 12-month period. Approximately 23% and 12% of the Group's long-term debt will mature in less than one year at December 31, 2024 and 2023, respectively, based on the carrying value of debt reflected in the financial statements. The Group assessed the concentration risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of source of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive concentration risk. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by change in economic, political and other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio of distributors and distribution channels. Identified concentration of credit risks are controlled and managed accordingly.

Maturity profile. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments are as follows:

	2024					
	On Demand	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**More than 5 Years**	**Total**
Financial liabilities carried at amortized cost						
Accounts payable and other current liabilities*	**₱2,693,131**	**₱8,822,494**	**₱7,860**	**₱–**	**₱–**	**₱11,523,485**
Loans payable	**–**	**13,004**	**1,238,411**	**1,966,888**	**–**	**3,218,303**
Acceptance and trust receipts payable	**–**	**–**	**1,608,501**	**–**	**–**	**1,608,501**
Lease liabilities	**–**	**62,917**	**182,533**	**979,083**	**7,355,763**	**8,580,296**
	₱2,693,131	**₱8,898,415**	**₱3,037,305**	**₱2,945,971**	**₱7,355,763**	**₱24,930,585**

** Excluding statutory payables.*

	2023					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Financial liabilities carried at amortized cost						
Accounts payable and other current liabilities*	₱2,540,634	₱8,246,578	₱6,664	₱–	₱–	₱10,793,876
Dividends payable	–	2,156,233	–	–	–	2,156,233
Loans payable	–	20,747	1,200,249	3,812,558	–	5,033,554
Acceptance and trust receipts payable	–	–	1,607,336	–	–	1,607,336
Lease liabilities	–	62,880	181,920	947,271	6,762,910	7,954,981
	₱2,540,634	₱10,486,438	₱2,996,169	₱4,759,829	₱6,762,910	₱27,545,980

** Excluding statutory payables.*

Changes in Liabilities Arising from Financing Activities

	January 1, 2024	Cash Flows	Foreign Exchange Movement	Fair Value changes	Others*	December 31, 2024
Loans payable	**₱4,934,027**	**(₱1,932,258)**	**₱156,622**	**₱–**	**₱48,244**	**₱3,206,635**
Accrued interest payable	**20,747**	**(433,046)**	**–**	**–**	**429,802**	**17,503**
Derivative liability	**106,406**	**65,869**	**–**	**(65,869)**	**182,198**	**288,604**
Lease liabilities	**2,682,867**	**(1,325,800)**	**–**	**–**	**1,242,698**	**2,599,765**
Dividends payable	**2,156,233**	**(6,828,072)**	**–**	**–**	**4,671,839**	**–**
Other noncurrent liabilities	**38,557**	**1,699**	**–**	**–**	**–**	**40,256**
Total liabilities from financing activities	**₱9,938,837**	**(₱10,451,608)**	**₱156,622**	**(₱65,869)**	**₱6,574,781**	**₱6,152,763**

"Others" primarily include amortization of debt issue costs, interest expenses and additions from new leases.

	January 1, 2023	Cash Flows	Foreign Exchange Movement	Fair Value changes	Others*	December 31, 2023
Loans payable	₱7,253,014	(₱2,705,378)	₱341,147	₱–	₱45,244	₱4,934,027
Accrued interest payable	21,018	(452,509)	–	–	452,238	20,747
Derivative liability	–	20,833	–	(20,833)	106,406	106,406
Lease liabilities	2,810,167	(332,604)	–	–	205,304	2,682,867
Dividends payable	–	–	–	–	2,156,233	2,156,233
Other noncurrent liabilities	36,673	1,884	–	–	–	38,557
Total liabilities from financing activities	₱10,120,872	(₱3,467,774)	₱341,147	(₱20,833)	₱2,965,425	₱9,938,837

"Others" primarily include amortization of debt issue costs, interest expenses and additions from new leases.

	January 1, 2022	Cash Flows	Foreign Exchange Movement	Fair Value changes	Others*	December 31, 2022
Loans payable	₱6,998,805	₱278,834	(₱111,249)	₱–	₱86,624	₱7,253,014
Accrued interest payable	1,081	(127,045)	–	–	146,982	21,018
Derivative liability	–	919,859	386,532	(1,306,391)	–	–
Lease liabilities	2,758,861	(255,410)	–	–	306,716	2,810,167
Dividends payable	–	(2,516,621)	–	–	2,516,621	–
Other noncurrent liabilities	20,425	16,248	–	–	–	36,673
Total liabilities from financing activities	₱9,779,172	(₱1,684,135)	₱275,283	(₱1,306,391)	₱3,056,943	₱10,120,872

"Others" primarily include amortization of debt issue costs, interest expenses and additions from new leases.

Derivative Financial Instruments

The Group engages in derivative transactions such as structured deposit, dual currency investment, structured note, binary note, guaranty asset, cross currency swaps (CCS) and European Knockout Option (EKO) to manage its foreign currency, interest rate and financial risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of derivatives that are not designated as accounting hedges (wedding cake deposit and dual currency investment) are recognized in the consolidated statements of income.

Structured Deposit

The Group invested in a principal protected structure with a potential enhanced return greater than the prevailing money market rate. The structured deposit will be redeemed at 100% of the principal amount, together with an interest amount based on the guaranteed rate plus the relevant enhanced rate depending on the applicable scenario at maturity date. Structured deposit is nil as at December 31, 2024.

Dual Currency Investment

The Group invested in a non-principal protected investment product with a potential higher return than conventional deposits. The investment amount will be received in either the alternative or investment currency together with interest amount in the investment currency depending on the applicable scenario at maturity date.

Pertinent details of the dual currency investment are as follows:

Notional amount	Effective Date	Maturity Date	Investment Currency	Alternative Currency	Conversion Rate	Interest Rate of Investment Currency
$8,300	10/16/24	03/18/25	USD	GBP	1.285	7.77% p.a.
$5,058	12/11/24	03/12/25	GBP	USD	1.285	7.77% p.a.

Structured Note
The Group invested in a structured note that offers enhanced return when the underlying asset trades at or is above its initial price at maturity while offering a pre-determined minimum level of capital return at maturity. Structured note is nil as at December 31, 2024.

Binary Note
The Group invested in a binary note with the view of getting an interest amount linked to USD PHP fixing rate and 100% of the principal at maturity. Binary note is nil as at December 31, 2024.

The Group recognized market valuation gain of ₱36.8 million and ₱71.6 million from fair value changes of structured deposit, dual currency investment, structured note, and binary note in 2024 and 2023, respectively, under the "Market valuation gain on financial instruments at fair value through profit or loss (FVTPL)" account in the consolidated statement of comprehensive income.

CCS Contract
On March 4, 2022, the Group entered into a non-deliverable CCS Agreement with a notional amount of ₱5,839.5 million (£85.0 million). Under the CCS agreement, the Group will receive Philippine Peso interest at 9% p.a. and will pay fixed Pound Sterling interest at 6% p.a. The Group will also pay the notional Pound Sterling amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS, which will be designated as a hedge of a portion of the net investment in MNSPL, is used to hedge the Parent Company's exposure to the GBP foreign exchange risk on its investment in MNSPL.

Pertinent details of the cross-currency swap are as follows:

Notional amount	Trade Date	Effective Date	Maturity Date	Swap rate	Fixed rate (Pay leg)	Fixed rate (Receive leg)
£85,000	03/03/22	03/07/22	03/07/32	₱68.70	6.0%	9.0%

On September 28, 2022, the BOD approved to fully unwind the CCS agreement to take advantage of the weakening of Pound Sterling. As a result of the CCS unwinding, the Group received ₱920.5 million from the CCS agreement and recognized the following in 2022:

Derivative gain	₱1,307,038
Cumulative translation adjustment (Note 18)	(386,532)

On January 31, 2023, the Parent Company entered into a non-deliverable CCS Agreement with a notional amount of ₱1,891.4 million (THB 1,151.5 million). Under the CCS agreement, the Company will receive Philippine Peso interest at 11.50% p.a. and will pay fixed Thailand Baht interest at 9% p.a. The Company will also pay the notional Thailand Baht amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS, which will be designated as a hedge of a portion of the net investment in MIL and MNTH, is used to hedge the Parent Company's exposure to the THB foreign exchange risk on its investment in MIL and MNTH. As a result, the Group recognized the following in 2024 and 2023:

	2024	2023
Derivative gain	**₱50,193**	₱26,255
Cumulative translation adjustment (Note 18)	**(182,198)**	(106,406)

Interest Rate Swap
MFL entered into an interest rate swap agreement in March 2019 which commenced in March 2020 to eliminate the cash flow risk around the interest on its loan. In 2022, MFL transitioned its interest rate from LIBOR to SONIA such that the interest rate is based on Margin and SONIA. MFL pays interest at the fixed rate of 0.826% per annum. The quarterly payment started on June 25, 2020 and expired on March 25, 2024, and was replaced with a new interest rate swap which continues to partially hedge the floating debt in 2024, thereby fixing a portion of the interest expense, and resulting in an overall weighted average effective interest rate of 6.06% and 4.74% in 2024 and 2023, respectively, on the debt and swap combination.

The Group recognized gain (loss) from interest rate swap netted to "Interest on loans payable", amounting to (₱79.7 million), (₱4.3 million), and ₱143.4 million in 2024, 2023, and 2022, respectively (Note 17).

The total derivative gain (loss) presented in the consolidated statement of comprehensive income consists of derivative gain (loss) from CCS, EKO, equity conversion and redemption options, and swaps. The derivative loss from swaps entered and settled during the same year, amounted to ₱0.4 million in 2024, ₱5.5 million in 2023, and ₱0.6 million in 2022.

Guaranty Asset
Details of the guaranty asset can be referred in Note 10.

Capital Management
For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's capital management is to maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Group monitors capital on the basis of the debt-to-equity ratio and makes adjustments to it in light of changes in economic conditions and its financial position. This ratio is calculated as total debt divided by total equity. Debt comprises all liabilities of the Group. Equity comprises all components of equity.

The Group's debt-to-equity ratios are as follows:

	2024	2023
Total debt	**₱22,547,846**	₱25,596,271
Total equity attributable to equity holders of the Parent Company	**55,366,514**	58,388,484
Debt-to-Equity Ratio	**0.41:1.00**	0.44:1.00

The Group is obligated to perform certain covenants with respect to maintaining specified debt-to-equity, gross leverage and minimum debt service cover ratios, as set in the agreements with creditors (see Note 17).

As at December 31, 2024 and 2023, the Group is in compliance with the financial covenants.

Fair Value of Financial Instruments

Cash and Cash Equivalents, Trade and Other Receivables, Accounts Payable and Other Current Liabilities, and Acceptance and Trust Receipts Payable. The carrying value of these financial assets and liabilities approximate their fair values as at December 31, 2024 and 2023 due to the short-term nature of these financial instruments.

Noncurrent Receivables, Advances to Employees and Loans Payable. As at December 31, 2024 and 2023, the fair value of noncurrent receivables and loans payable with variable interest rates approximates the carrying amount due to frequent repricing of interest. Fair value of loans with fixed interest rate are determined using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value of noninterest-bearing noncurrent receivables is determined by discounting future cash flows at an appropriate discount rate, reflecting the time value of money and credit risk.

Financial assets at FVTPL. The financial assets at FVTPL account consists of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. As at December 31, 2024 and 2023, the fair values of these financial assets are based on their published net asset value per share. These are presented under "current financial assets" in the consolidated statement of financial position.

Financial Assets at FVOCI. The fair value of financial asset at FVOCI from Wide Faith Investment Holdings Ltd. is derived from the cash flow projection of the investee (income approach), which is nil as at December 31, 2024 and 2023.

The fair value of Figaro Coffee Group, Inc. is based on quoted prices. The fair value of Terramino, Inc. approximates its last transaction price.

Interest rate swap. The fair value of the derivative financial instrument is measured using discounted cash flows. The future cash flows are estimated based on observable forward interest rates and discounted at a rate that reflects the credit risk of the Group and counterparties.

Guaranty asset. The fair value of guaranty asset is determined using Monte Carlo Simulation. The inputs to the model are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

As at December 31, 2024 and 2023, the following table presents the level of hierarchy of the Group's financial instruments as follows:

	2024			2023		
	Quoted prices in active market (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial instruments measured at fair value						
Financial assets at FVTPL	**₱–**	**₱1,812,489**	**₱–**	₱–	₱2,042,058	₱–
Equity securities measured at FVOCI	**705,431**	**–**	**108,540**	492,161	–	108,540
Financial assets - interest rate swap	**–**	**32,266**	**–**	–	32,266	–
Guaranty asset	**–**	**–**	**8,128,814**	–	–	10,432,256

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at December 31, 2024 is shown below:

Guaranty Asset

Valuation technique	**Unobservable inputs**	**Increase (Decrease)**	**Effect on fair value of guaranty asset**
Monte Carlo Simulation	VIU	₱7,322,634	(₱796,891)
		(7,322,634)	1,254,278
	Forecasted share price	5%	237,702
		(5%)	(248,355)
	Interest rates	0.5%	(195,183)
		(0.5%)	194,865
	Marlow volatility	0.5%	98,178
		(0.5%)	(100,315)

Recoverable Amount of Brands and Property, Plant and Equipment

Valuation technique	**Unobservable inputs**	**Increase (Decrease)**	**Effect on VIU**
VIU method	Discount rate	(0.5%)	₱951,942
		0.5%	(805,490)
	Long-term growth	0.5%	659,037
		(0.5%)	(585,811)
	EBITDA margin	0.5%	878,716
		(0.5%)	(805,490)

27. Commitments

SSCC
On July 25, 2014 and August 4, 2014, the Parent Company and SSCC entered into a Distribution, and Marketing and Sales Development Agreement wherein SSCC appoints the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years (until July 25, 2034). Under the Agreement, the Parent Company shall pay SSCC a non-reimbursable and non-recoupable sum of ₱727.6 million payable in 5 equal annual installments starting on August 4, 2014 (see Note 13). The amount is recognized as Distribution Rights and subject to amortization for a period of 20 years up to 2034. The related payable was fully settled in 2018.

On August 4, 2014, the Parent Company and SSCC entered into a Loan Agreement wherein the Parent Company agreed to extend a loan to SSCC in the principal amount of ₱500.0 million with interest rate of 2% per annum. The loan is for a period of 10 years which was fully settled on August 4, 2024.

As stipulated in Section 6 of the Loan Agreement, the Parent Company has the right to set-off and apply any credit balance of or any amount payable by the Group to SSCC. As a result, the Group presented its receivable from SSCC net of its outstanding payable in its consolidated statement of financial position in accordance with PAS 32. As at December 31, 2024 and 2023, the Group's net receivable from SSCC amounted to nil and ₱500.0 million, respectively (see Note 9).

Loan Agreement between KBT and SSCC
On August 1, 2024, KBT and SSCC entered into a Loan Agreement wherein KBT agreed to extend an interest-bearing loan to SSCC in the principal amount of ₱600.0 million. The loan is for a period of 10 years and will mature on August 1, 2034.

Interest income from advances to SSCC amounted to ₱14.7 million in 2024 and ₱10.0 million in 2023 and 2022 (see Notes 9 and 21).

Capital Commitments
The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱1,843.6 million, ₱2,055.4 million, and ₱1,447.5 million as at 2024, 2023 and 2022, respectively (see Note 12).

28. Supplemental Disclosure to Cash Flow Statements

The Group's material noncash activities are as follows:

	2024	2023	2022
Cumulative translation adjustments	**(₱1,060,841)**	(₱581,492)	₱691,727
Additions to ROU assets and lease liabilities	**895,054**	21,427	123,797

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Monde Nissin Corporation
Felix Reyes St., Barangay Balibago
City of Santa Rosa, Laguna

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Monde Nissin Corporation and Subsidiaries (the Group), as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10465323, January 2, 2025, Makati City

April 10, 2025

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Monde Nissin Corporation
Felix Reyes St., Barangay Balibago
City of Santa Rosa, Laguna

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Monde Nissin Corporation and Subsidiaries (the Group), as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024, 2023 and 2023 and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10465323, January 2, 2025, Makati City

April 10, 2025

MONDE NISSIN CORPORATION AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2024
(Amounts in Thousands, Except Number of Shares, Par Value per Share and Unless Otherwise Specified)

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2024
(Amounts in Thousands)

Monde Nissin Corporation
Felix Reyes St. Brgy. Balibago, City of Santa Rosa, Laguna, Philippines

Unappropriated Retained Earnings, beginning of reporting period		**₱6,204,629**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Equity restructuring	–	
Reversal of Retained Earnings Appropriations	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declared during the reporting period	4,671,839	4,671,839
Unappropriated Retained Earnings, as adjusted		**1,532,790**
Add: Net Income for the current year		**2,705,351**
Less: Category C.1: Unrealized income recognized in the profit or loss during the period (net of tax)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	22,296	
Unrealized fair value adjustment (mark-to-market) gains of financial instruments at FVTPL	8,511	30,807
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	26,848	26,848
Adjusted Net income/Loss		**4,234,182**
Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	50,639	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction (right of use of asset and lease liability)	11,273	61,912
Total Retained Earnings, end of the reporting period available for dividend		**₱4,172,270**

MONDE NISSIN CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

(Amounts in Thousands)

	December 31	
	2024	2023
Total Audit Fees	**₱49,508**	₱57,096
Non-audit service fees:		
Tax services	**3,414**	6,896
All other services	**946**	5,616
Total Non-audit Fees	**4,360**	12,512
Total Audit and Non-audit Fees	**₱53,868**	₱69,608

MONDE NISSIN CORPORATION AND SUBSIDIARIES

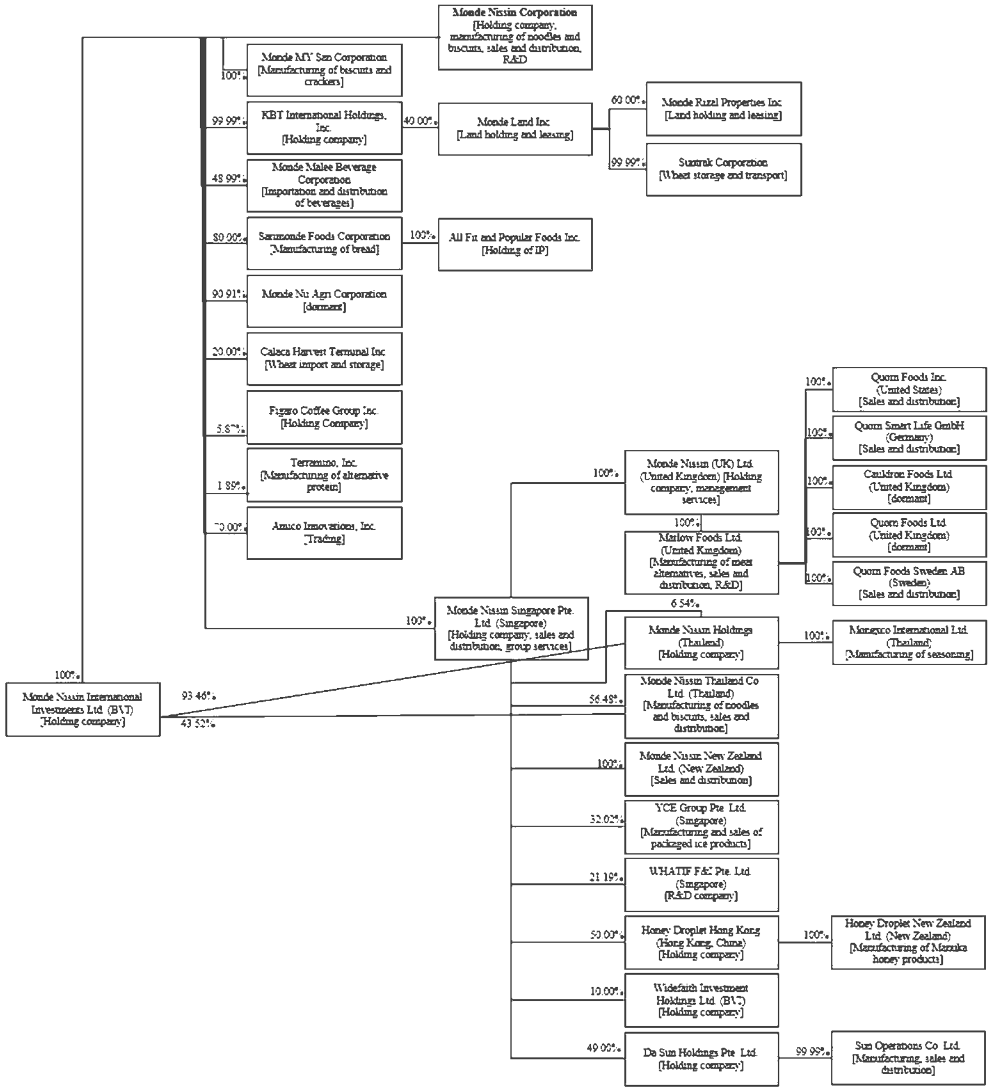
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS AT DECEMBER 31, 2024, 2023 and 2022

Financial Ratios	Formula	2024	2023	2022
Current ratio	Current assets / Current liabilities	2.18	2.03	2.19
Acid test ratio	Cash and cash equivalents + Current receivables + Current financial assets / Current liabilities	1.52	1.42	1.37
Solvency ratio	Net income attributable to Equity Holders of the Parent Company + Depreciation and Amortization+ Impairment Loss-Fair Value Gain on Guaranty Asset / Total Liabilities	55.8%	55.1%	38.1%
Debt-to-equity ratio	Total liabilities (current + noncurrent) / Equity attributable to Equity Holders of the Parent Company	0.41	0.44	0.56
Asset-to-equity ratio	Total assets (current + noncurrent) / Equity attributable to Equity Holders of the Parent Company	1.41	1.44	1.56
Interest rate coverage ratio*	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) / Finance Costs	20.93	17.84	21.75
Gross leverage	Gross Debt / EBITDA	0.21	0.37	0.66
Return on equity	Net income attributable to Equity Holders of the Parent Company / Equity attributable to Equity Holders of the Parent Company (average)	0.8%	(1.2%)	(21.6%)
Return on assets	Net income attributable to Equity Holders of the Parent Company / Total assets (average)	0.5%	(0.8%)	(14.4%)
Net Sales growth	Current Period Net Sales – Prior Period Net Sales / Prior Period Net Sales	3.7%	8.5%	6.6%
Gross margin	Gross Profit / Net Sales	34.5%	30.8%	31.1%
Net profit margin	Net income / Net sales	0.5%	(0.8%)	(17.6%)
Net profit after tax (NPAT) growth	Current Period NPAT – Prior Period NPAT / Prior Period NPAT	(171.7%)	(95.2%)	(501.0%)
EBITDA Growth	Current Period EBITDA – Prior Period EBITDA / Prior Period EBITDA	18.1%	21.2%	(15.9%)

Financial Ratios	**Formula**	**2024**	**2023**	**2022**
EBITDA Margin	<u>EBITDA</u> Net Sales	19.3%	16.9%	15.1%
Return on Invested Capital	<u>EBIT – Income Tax Expense</u> Working Capital + Property Plant and Equipment	2.18%	(36.6%)	15.8%

**Based on loan covenant's formula applicable for the period*
***2021 was calculated using EBIT/Interest Expense*

MONDE NISSIN CORPORATION
MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
AS AT DECEMBER 31, 2024



MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE A – FINANCIAL ASSETS
DECEMBER 31, 2024
(Amounts in thousands)

Financial Assets	Name of Issuing Entity and Description of Each Issue	Amount Shown in the Balance Sheet/Notes	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial Assets at FVTPL*				
Guaranty Asset	N/A	₱8,128,814	₱8,128,814	₱–
UITF	Sun Life Investment Management	951,523	951,523	44,467
Derivative	Rabobank	369,988	369,988	10,631
Derivative	UBS AG	484,661	484,661	13,953
Derivative	JP Morgan Chase Bank N.A.	–	–	6,767
UITF	Metropolitan Bank & Trust Co.	3,080	3,080	108
UITF	Banco de Oro Universal Bank	1,114	1,114	53
UITF	Bank of the Philippine Islands Asset Management and Trust Corporation	2,123	2,123	5,981
Financial Assets at Amortized Cost				
Cash in banks and cash equivalents	N/A	14,157,155	14,157,155	552,701
Trade and other receivables	N/A	7,709,717	7,709,717	–
Noncurrent receivable	N/A	1,320,296	1,320,296	21,572
Advances to employees	N/A	99,924	99,924	–

Financial Assets	Name of Issuing Entity and Description of Each Issue	Amount Shown in the Balance Sheet/Notes	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial Assets at FVOCI				
Quoted equity securities	FCG	₱705,431	₱705,431	Nil
Unquoted equity securities	Terramino, Inc.	108,540	108,540	Nil
Unquoted equity securities	Wide Faith Investment Holdings Ltd.	Nil	Nil	Nil
		₱34,042,366	₱34,042,366	₱656,233

**Presented under current financial assets*

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2024
(Amounts in thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Collections	Write Offs	Balance at End of Period		
					Current	Noncurrent	Total
MNSG Holdings Pte. Ltd.	₱172,305	₱–	(₱–)	₱–	₱–	₱91,493	₱91,493*
Various employees	90,591	113,292	(103,959)	–	–	99,924	99,924
	₱262,896	₱113,292	(₱103,959)	₱–	₱–	₱191,417	₱191,417

*with cumulative translation adjustment

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in thousands)

Receivable to Name of Subsidiary / Counterparty	Balance at Beginning of Period	Additions	Collections	Write-off	Balance at End of Period		
					Current	Noncurrent	Total
MNC	₱2,351,046	₱17,072,764	(₱16,563,656)	₱–	₱2,860,154	₱–	₱2,860,154
MNTH	186,652	396,399	(442,849)	–	140,202	–	140,202
MIL	15,408	164,579	(157,560)	–	22,427	–	22,427
MMYSC	155,098	887,351	(824,861)	–	217,588	–	217,588
MNSPL	58,400	89,439	(119,034)	–	28,805	–	28,805
SMFC	44,859	229,384	(218,916)	–	55,327	–	55,327
	₱2,811,463	₱18,839,916	(₱18,326,876)	₱–	₱3,324,503	₱–	₱3,324,503

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE D – LONG-TERM DEBT
DECEMBER 31, 2024
(Amounts in thousands)

Name of Issuer and Type of Obligation	Amount Shown as Current	Amount Shown as Long-term	Total
MFL			
£105.0 million term loan	₱–	₱1,940,255	₱1,940,255
£12.0 million revolving credit facility	–	874,173	874,173
£5.0 million credit facility	364,239	–	364,239
DSHPL			
฿39.3 million term loan	–	27,968	27,968
	₱364,239	₱2,842,396	₱3,206,635

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2024

Name of Related Party	Balance at beginning of the Period	Balance at End of the Period

- NONE TO REPORT -

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024

Name of Issuing Entity of Securities Guaranteed by the Company for Which This Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for Which this Statement is Filed	Nature of Guarantee

- NONE TO REPORT -

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE G – CAPITAL STOCK
DECEMBER 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Affiliates	Directors, Officers and Employees	Others
Common Shares at ₱0.50 par value	20,400,000,000	17,968,611,496	–	–	10,757,535,400	–
Preferred "A" Shares at ₱1.00 par value	400,000,000	–	–	–	–	–
Preferred "B" Shares at ₱1.00 par value	800,000,000	–	–	–	–	–
Preferred "C" Shares at ₱0.25 par value	2,400,000,000	–	–	–	–	–

SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC

Monde Nissin Corporation
For the Period Ended December 31, 2024
(Amounts in millions)

	Estimated	**Actual**
Gross proceeds	₱48,600	**₱48,600**
IPO related expenses	(2,252)	**(2,023)**
Net proceeds	46,348	**46,577**
Use of proceeds:		
Payment of GIC Note	(13,352)	**(13,352)**
Payment of term loans	(6,477)	**(22,041)**
Payment of working capital	–	**(1,964)**
Payment of capital expenditures:		
APAC BFB		
Capacity increase and innovation – Philippine operations	(7,255)	**(5,125)**
Operational efficiency initiatives – Philippine operations	(485)	**(1,001)**
End-to-end supply network redesign - Philippine operations	(914)	**(108)**
Capacity increase and innovation - Thailand operations	(2,147)	**(594)**
Meat Alternative		
To expand capacity	(7,105)	**(1,724)**
To improve manufacturing and new product development capabilities	(7,313)	**(649)**
To reduce emissions across the supply chain	(1,300)	**(19)**
	(46,348)	**(46,577)**
Balance of the proceeds as of end of reporting period	₱–	**₱–**

As at June 30, 2024, the Company has fully utilized the IPO proceeds.

ANNEX B

2024 Parent Company Audited Financial Statements and Supplementary Schedules (with BIR ITR Filing Reference)

Outlook

Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
Date Fri 4/11/2025 10:54 PM
To BIR 2307 <bir2307@mondenissin.com>
Cc Bless Ian Vino <bless.vino@mondenissin.com>

Some people who received this message don't often get email from eafs@bir.gov.ph. Learn why this is important

⚠ **WARNING.** Do not click any links or open any attachments unless you trust the sender and know the content is safe.

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- EAFS000417352RPTTY122024.pdf
- EAFS000417352ITRTY122024.pdf
- EAFS000417352AFSTY122024.pdf

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- <None>

Transaction Code: **AFS-0-2WX1S2WZ04NYQV2W2N34MWMQM0MQS143TR**
Submission Date/Time: **Apr 11, 2025 10:54 PM**
Company TIN: **000-417-352**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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MONDE NISSIN CORPORATION
Felix Reyes Street,
Barangay Balibago
City of Santa Rosa, Laguna
4026 Philippines

Tel.: (+632) 7759.7500
Fax: (+632) 8810.9207
www.mondenissin.com

THE SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village, Barangay Bel-Air
Makati City, 1209 Philippines

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **MONDE NISSIN CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Henry Soesanto
Acting Chairman of the Board

Henry Soesanto
Chief Executive Officer

Jesse Teo
Chief Financial Officer

Enrico Peñas
Head of Finance Shared Services

Signed this 10th day April of 2025

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN to before me this APR 10 2025 at the place stated above, affiants exhibiting to me their respective competent evidence of identity, as follows:

Name	Competent Evidence of Identity	Date/Place of Issue
Henry Soesanto	SSS No. 33-3066285-6	
Jesse C. Teo	Driver's License No. N04-88090860	October 23, 2033
Enrico Penas	Passport No. P7677114A	June 26, 2028; DFA NCR West

Doc. No. 37;
Page No. 9;
Book No. III.
Series of 2025.

ATTY. [illegible]
Notary Public for Makati City
Appointment No. M-270 until December 31, 2026
Roll of Attorneys No. 53666
PTR No. 10466479MN/ 1-03-2025/Makati City
IBP No. 480877/12-04-2024
MCLE Compliance No. VIII-0007515 valid until April 14, 2028
21st Floor, 6750 Office Tower, Ayala Avenue
Makati City, 1226 Metro Manila, Philippines

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number: 8 6 3 3 5

COMPANY NAME

MONDE NISSIN CORPORATION

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

FELIX REYES ST., BARANGAY
BALIBAGO, CITY OF SANTA ROSA,
LAGUNA

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	NA	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
WWW.MONDENISSIN.COM	+63 2 7 759 7595	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
24	Last Friday of June	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Enrico Peñas	mnc-sec.communications@mondenissin.com	+632 7759-7519	+63917 166 4708

CONTACT PERSON'S ADDRESS

Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna

NOTE 1 *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

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1226 Makati City
Philippines

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Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Monde Nissin Corporation
Felix Reyes St., Barangay Balibago
City of Santa Rosa, Laguna

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Monde Nissin Corporation (the Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 27 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Monde Nissin Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10465323, January 2, 2025, Makati City

April 10, 2025

MONDE NISSIN CORPORATION

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱9,566,453**	₱12,345,583
Trade and other receivables (Notes 5 and 20)	**5,946,117**	4,816,580
Inventories (Notes 6 and 16)	**4,826,953**	3,989,300
Dividends receivable	**2,500,083**	–
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	**1,304,523**	1,674,328
Notes receivable – current (Notes 8, 20 and 23)	**376,864**	500,000
Prepayments and other current assets (Note 7)	**672,271**	408,561
Total Current Assets	**25,193,264**	23,734,352
Noncurrent Assets		
Investments in subsidiaries, associate, and joint venture (Note 10)	**23,853,392**	29,661,898
Property, plant and equipment (Note 11)	**16,627,537**	14,636,349
Notes receivable – noncurrent, net (Notes 8, 20, and 23)	–	360,003
Deferred tax assets – net (Note 21)	**891,082**	822,527
Financial assets at fair value through other comprehensive income (FVOCI) (Note 9)	**813,971**	600,701
Intangible assets (Note 12)	**632,044**	613,516
Other noncurrent assets	**488,772**	682,772
Total Noncurrent Assets	**43,306,798**	47,377,766
	₱68,500,062	₱71,112,118
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 13, 20 and 22)	**₱10,463,010**	₱9,600,141
Acceptance and trust receipts payable (Notes 6 and 14)	**1,608,501**	1,607,336
Refund liabilities (Note 13)	**378,783**	406,677
Current portion of lease liabilities (Note 22)	**11,735**	10,347
Dividends payable (Note 15)	–	2,156,233
Income tax payable	**345,710**	380,665
Total Current Liabilities	**12,807,739**	14,161,399
Noncurrent Liabilities		
Lease liabilities (Note 22)	**1,640,715**	1,475,430
Pension liability (Note 19)	**1,072,413**	863,655
Derivative liability (Note 24)	**288,603**	106,406
Total Noncurrent Liabilities	**3,001,731**	2,445,491
Total Liabilities	**15,809,470**	16,606,890
Equity		
Capital stock (Note 15)	**8,984,306**	8,984,306
Additional paid-in capital (Note 15)	**39,361,947**	39,361,947
Retained earnings (Note 15):		
Appropriated	–	–
Unappropriated	**5,022,839**	6,989,328
Remeasurement losses on pension liability (Note 19)	**(563,663)**	(502,246)
Fair value reserve of financial assets at FVOCI (Note 9)	**(114,837)**	(328,107)
	52,690,592	54,505,228
	₱68,500,062	₱71,112,118

See accompanying Notes to Parent Company Financial Statements.

MONDE NISSIN CORPORATION

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Years Ended December 31	
	2024	2023
NET SALES (Note 20)	**₱65,800,710**	₱62,802,708
COST OF GOODS SOLD (Notes 6 and 16)	**45,782,002**	46,109,264
GROSS PROFIT	**20,018,708**	16,693,444
SALES, GENERAL AND ADMINISTRATIVE EXPENSES		
Impairment loss – net (Notes 10, 11, 12 and 17)	**9,363,304**	155,952
Selling and distribution expenses (Note 17)	**5,618,221**	4,995,811
General and administrative expenses (Note 17)	**4,413,086**	3,808,951
	19,394,611	8,960,714
	624,097	7,732,730
OTHER INCOME		
Dividend income (Notes 9 and 10)	**4,125,352**	3,034,329
Other income (Note 18)	**473,903**	448,802
	4,599,255	3,483,131
INCOME BEFORE FINANCE INCOME (EXPENSES)	**5,223,352**	11,215,861
FINANCE INCOME (EXPENSES)		
Finance income (Note 18)	**454,604**	371,834
Finance costs (Note 18)	**(225,720)**	(207,633)
Derivative loss (Note 24)	**(117,796)**	(85,573)
	111,088	78,628
INCOME BEFORE INCOME TAX	**5,334,440**	11,294,489
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 21)		
Current	**2,677,172**	2,164,450
Deferred	**(48,082)**	(15,522)
	2,629,090	2,148,928
NET INCOME	**2,705,350**	9,145,561
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss not to be reclassified to profit and loss in subsequent periods:		
Gain (Loss) on financial assets at FVOCI (Note 9)	**213,270**	(328,107)
Remeasurement loss on defined benefit plans (Note 19)	**(81,890)**	(381,129)
Income tax effect	**20,473**	95,282
Other comprehensive income, net of tax	**151,853**	(613,954)
TOTAL COMPREHENSIVE INCOME	**₱2,857,203**	₱8,531,607
EARNINGS PER SHARE (EPS) (Note 15)		
Basic/diluted, income attributable to equity holders	**₱0.15**	₱0.51

See accompanying Notes to Parent Company Financial Statements.

MONDE NISSIN CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in Thousands)

	Capital Stock (Note 15)	Additional Paid-in Capital	Retained Earnings (Deficit) (Note 15)		Remeasurement Losses on Pension Liability	Fair Value Reserve of Financial Assets at FVOCI (Note 9)	Total
			Appropriated	Unappropriated			
Balance as at January 1, 2024	**₱8,984,306**	**₱39,361,947**	**₱–**	**₱6,989,328**	**(₱502,246)**	**(₱328,107)**	**₱54,505,228**
Net income	–	–	–	**2,705,350**	–	–	**2,705,350**
Other comprehensive income, net of tax	–	–	–	–	**(61,417)**	**213,270**	**151,853**
Total comprehensive income (loss)	–	–	–	**2,705,350**	**(61,417)**	**213,270**	**2,857,203**
Dividends (Note 15)	–	–	–	**(4,671,839)**	–	–	**(4,671,839)**
Balance as at December 31, 2024	**₱8,984,306**	**₱39,361,947**	**₱–**	**₱5,022,839**	**(₱563,663)**	**(₱114,837)**	**₱52,690,592**
Balance as at January 1, 2023	₱8,984,306	₱46,515,847	₱5,000,000	(₱12,153,900)	(₱216,399)	₱–	₱48,129,854
Net income	–	–	–	9,145,561	–	–	9,145,561
Other comprehensive loss, net of tax	–	–	–	–	(285,847)	(328,107)	(613,954)
Total comprehensive income (loss)	–	–	–	9,145,561	(285,847)	(328,107)	8,531,607
Equity restructuring (Note 15)	–	(7,153,900)	–	7,153,900	–	–	–
Release of appropriation (Note 15)	–	–	(5,000,000)	5,000,000	–	–	–
Dividends (Note 15)	–	–	–	(2,156,233)	–	–	(2,156,233)
Balance as at December 31, 2023	₱8,984,306	₱39,361,947	₱–	₱6,989,328	(₱502,246)	(₱328,107)	₱54,505,228

See accompanying Notes to Parent Company Financial Statements.

MONDE NISSIN CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱5,334,440**	₱11,294,489
Adjustments to reconcile income before income tax to net cash flows:		
Impairment loss (Notes 10, 11, 12 and 17)	**9,363,304**	155,952
Dividend income (Notes 9 and 10)	**(4,125,352)**	(3,034,329)
Depreciation and amortization (Notes 11, 12, 16, 17 and 18)	**1,266,738**	1,221,585
Finance income (Note 18)	**(454,604)**	(371,834)
Finance costs (Note 18)	**225,720**	207,633
Movement in pension liability (Notes 16, 17 and 19)	**126,868**	65,278
Derivative loss – net	**117,796**	85,573
Fair value gain on financial assets at FVTPL (Note 18)	**(60,655)**	(88,597)
Unrealized foreign exchange (gain) loss – net	**36,286**	(33,905)
Gain on sale of property and equipment – net (Note 11)	**(5,751)**	(2,256)
Working capital adjustments:		
Decrease (increase) in:		
Trade and other receivables	**(1,171,500)**	(179,665)
Inventories	**(837,653)**	1,572,280
Prepayments and other current assets	**(240,154)**	(153,989)
Increase (decrease) in:		
Accounts payable and other current liabilities	**821,945**	1,763,928
Refund liabilities	**(27,894)**	206,237
Acceptance and trust receipts payable	**(7,833)**	(723,774)
Net cash generated from operations	**10,361,701**	11,984,606
Income tax paid	**(2,712,127)**	(1,906,494)
Interest received	**497,920**	332,698
Net cash flows from operating activities	**8,147,494**	10,410,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Investment in subsidiaries, associate, and joint venture (Note 10)	**(3,604,298)**	(4,568,798)
Financial assets at FVTPL (Note 9)	**(3,459,263)**	(544,700)
Property and equipment (Note 11)	**(2,872,133)**	(2,562,710)
Financial assets at FVOCI (Note 9)	**–**	(928,808)
Proceeds from:		
Termination of financial assets at FVTPL (Note 9)	**3,899,692**	709,990
Dividends (Notes 9 and 10)	**1,625,269**	3,034,329
Noncurrent receivables	**500,000**	–
Sale of property and equipment (Note 11)	**18,686**	28,943
Decrease in other noncurrent assets	**188,849**	71,197
Intangible assets (Notes 12, 16, 17 and 18)	**(107,757)**	(77,268)
Decrease (increase) in noncurrent receivables	**(16,861)**	2,405
Net cash flows used in investing activities	**(3,827,816)**	(4,835,420)

(Forward)

	Years Ended December 31	
	2024	**2023**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments of):		
Cash dividends (Note 15)	**(₱6,828,072)**	₱–
Lease liabilities (Note 22)	**(188,422)**	(176,897)
Finance costs	**(130,624)**	(113,791)
Derivatives	**64,401**	20,833
Net cash flows used in financing activities	**(7,082,717)**	(269,855)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(2,763,039)**	5,305,535
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(16,091)**	8,188
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**12,345,583**	7,031,860
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱9,566,453**	₱12,345,583

See accompanying Notes to Parent Company Financial Statements.

1. General Information

Monde Nissin Corporation (the Parent Company or MNC) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 23, 1979 primarily to engage in manufacturing, processing, baking, packaging, servicing, repacking, assembling, importing, exporting, buying, selling, trading or otherwise dealing in all kinds of goods, wares and merchandises, which are or may become articles of commerce such as but not limited to noodles, candies, confectionaries, biscuits, cakes and other foods, drugs and cosmetics. In furtherance of said primary purpose, it is authorized to guarantee obligations of and act as surety for the loans and obligations of its subsidiaries and affiliates and/or to secure the same by mortgage, pledge of any assets of MNC as may be authorized by its Board of Directors (BOD), provided MNC does not operate as a lending or financing company.

On June 1, 2021, the Parent Company completed its initial public offering (IPO) and was listed in the PSE under the stock symbol "Monde". As a public company, it is covered by the Revised Securities Regulation Code (SRC) Rule 68.

The Parent Company's principal place of business is at Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna.

The parent company financial statements were reviewed and recommended for approval by the Audit Committee on April 10, 2025. On the same date, the BOD also approved and authorized the issuance of the parent company financial statements.

2. Basis of Preparation and Summary of Material Accounting Policy Information

Basis of Preparation
The Parent Company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The Parent Company financial statements have been prepared on a historical cost basis, except financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The Parent Company financial statements are presented in Philippine peso, which is the Parent Company's functional currency. All values are rounded to the nearest peso, except when otherwise indicated.

The Parent Company prepares and issues consolidated financial statements for the same period as the Parent Company financial statements and are presented in accordance with PFRS accounting standards. The consolidated financial statements of the Parent Company are filed and may be obtained from the SEC.

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Parent Company.

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current* – The amendments clarify that:

  – Only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  – Classification is unaffected by the likelihood that an entity will exercise its deferral right.
  – Only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback* – The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements* – The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Parent Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Parent Company's financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2025
- Amendments to PAS 21*, Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Parent Company applied the materiality guidance in its 2024 accounting policy disclosures.

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

a. Financial Assets

Initial Recognition and Measurement. Financial assets are classified at fair value at initial recognition and subsequently measured at amortized cost, FVOCI, and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient, the Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cashflows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured as FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The financial assets of the Parent Company as at December 31, 2024 and 2023 consist of financial assets at amortized cost, financial assets at FVTPL and financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Parent Company's financial assets at amortized cost include cash and cash equivalents, trade and other receivables, noncurrent receivables and advances to employees recorded under "other noncurrent assets" in the Parent Company statement of financial position.

Financial assets at FVTPL
Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognize in the consolidated statement of profit and loss.

The category includes derivative instruments and listed equity investments which the Parent Company had not irrevocably elected to classify at fair value through OCI.

Financial assets designated at FVOCI (equity instruments)
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right has been established, except when the Parent Company benefits from such proceeds as recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Parent Company elected to classify irrevocably its non-listed equity investments under this category.

Impairment of Financial Assets. The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cashflows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original EIR.

For trade receivables, the Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Parent Company has established a provision matrix based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The key inputs in the model include the Parent Company's definition of default and historical data of three years for the origination, maturity date, and default date. The Parent Company considers trade receivables in default when contractual payments are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records, which are administrative in nature, which may extend the definition of default. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates tha1`t the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. Trade receivables are written off when there is no reasonable expectation of recovery.

For other financial assets such as nontrade receivable and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk (SICR) since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Parent Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Parent Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been SICR since origination, the allowance will be based on the lifetime ECL. The Parent Company uses the ratings from reputable credit rating agencies to determine whether the debt instrument has SICR and to estimate ECLs.

Determining the stage for impairment
At each reporting date, the Parent Company assesses whether there has been a SICR for financial assets since initial recognition by comparing the risk of a default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed SICR since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Staging assessment
PFRS 9 establishes a three-stage approach for impairment of financial assets, based on whether there has been SICR of a financial asset. Three stages then determine the amount of impairment to be recognized.

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced SICR since initial recognition. Entities are required to recognize 12-month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of default occurring on the financial instrument as at the reporting date, with the risk of default occurring on the financial instrument at the date of initial recognition.

- Stage 2 is comprised of all non-financial instruments which have experienced SICR since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer SICR since initial recognition, then entities shall revert to recognizing 12-month ECL.

- Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with negative impact on the estimated future cash flows of a financial instrument or portfolio of financial instruments. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

b. Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Parent Company that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied.

This category applies to the Parent Company's derivative liabilities.

Financial liabilities at amortized cost (loans and borrowings)
After initial measurement, other financial liabilities are measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized, as well as through the EIR amortization process.

This category applies to the Parent Company's accounts payable and other current liabilities (excluding statutory payables), acceptance and trust receipts payable, loans payable and lease liabilities.

<u>Embedded derivatives</u>
A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with movements in the value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

Derivative Financial Instruments and Hedge Accounting
The Parent Company engages in derivative transactions such as structured deposit, dual currency investment, cross currency swaps (CCS) and European Knockout Option (EKO) to manage its foreign currency and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of derivatives that are not designated as accounting hedges (structured deposit and dual currency investment) are recognized in the consolidated statements of income.

The Parent Company applies hedge accounting for transactions that meet specified criteria. At inception of the hedge accounting relationship, the Parent Company formally designates and documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Parent Company actually hedges and the quantity of the hedging instrument that the Parent Company actually uses to hedge that quantity hedged item.

Hedges of a net investment. Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as other comprehensive income (OCI), while any gains or losses relating to the ineffective portion are recognized in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV).

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials and packaging materials - purchase cost on a first-in, first-out basis;
- In-transit - purchase cost;
- Finished goods and work-in-process - cost of direct materials, labor, and a proportion of manufacturing overhead costs based on normal operating capacity on a first-in, first-out basis.

NRV for finished goods, work-in-process, and in-transit inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion, and the estimated costs necessary to make the sale. NRV for raw materials and packaging materials is the current replacement cost.

Investments in Subsidiaries, Associate, and Joint Venture
Investments in subsidiaries, associate, and joint venture are accounted for in the parent company financial statements at cost, less any impairment in value.

A subsidiary is an entity which the Parent Company controls (i.e., when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee). Generally, there is a presumption that a majority of voting rights results in control.

An associate is an entity over which the Parent Company has significant influence (i.e., when the Parent Company has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies).

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Parent Company recognizes dividends from a subsidiary, an associate, or a joint venture in the Parent Company's financial statements when its right to receive the dividend is established. An assessment of the carrying value of the Parent Company's investment is performed when there is an indication that the investment has been impaired.

Property, Plant and Equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation, and any accumulated impairment losses. The initial cost of property, plant and equipment, consists of its purchase price including import duties and other costs directly attributable in bringing the asset to its working condition and location for its intended use. Cost also includes the cost of replacing the part of such property, plant and equipment when the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Parent Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant, and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	10 - 25 years
Right-of-use (ROU) assets	20 - 25 years or term of lease, whichever is shorter
Leasehold improvements	20 years or term of the lease, whichever is shorter
Plant machinery and fixtures	5 - 15 years
Office furniture and equipment	5 years
Transportation equipment	5 years
Computer and communications equipment	3 years

The useful life of each of the Parent Company's property, plant, and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property, plant, and equipment's residual values, useful lives, and depreciation method are reviewed at each reporting period, and adjusted prospectively, if appropriate.

Machineries-under-installation and construction in-progress represent properties under construction and are stated at cost net of accumulated impairment losses, if any. These include the cost of construction and other direct costs. Machineries under installation and construction in-progress are not depreciated until such time that the relevant assets are completed and put into operational use.

An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

Fully depreciated property, plant, and equipment are retained in the accounts until these are no longer in use.

The Parent Company classifies ROU assets as part of property, plant, and equipment. The Parent Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and the estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Parent Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. ROU assets are subject to impairment.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized using the straight-line method over the following useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired:

Distribution rights	20 years
Software	5 - 10 years
License	10 years
Trademark	Indefinite

The amortization period and method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from it use or disposal. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Impairment of Nonfinancial Assets

The Parent Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal (FVLCD) and its value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The Parent Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Parent Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Any impairment loss is recognized in profit or loss in the expense category consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment have been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Intangible assets with indefinite useful lives are tested for impairment annually as at December 31, at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Leases

The Parent Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Parent Company as Lessee. The Parent Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Parent Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease Liabilities. At the commencement date of the lease, the Parent Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets. The Parent Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services. The Parent Company has assessed and concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Sale of Goods and Scrap Items. Revenue from the sale of goods and scrap items is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Parent Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Parent Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

Variable Consideration. If the consideration in a contract includes a variable amount, the Parent Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of the Parent Company's goods provide customers with a right of return within a specified period. The rights of return give rise to variable consideration.

- *Rights of Return*. The Parent Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Parent Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price).

- *Sales discount.* The Parent Company's contracts with customers generally provide customers with discounts (presented as deduction from "Sales"). The Parent Company uses most likely amount method to estimate the amount of expected future rebates for distribution discounts. A refund liability is recognized for the expected future sales discount (i.e., the amount not included in the transaction price).

Consideration payable to customers. Consideration payable to a customer includes cash amounts that the Parent Company pays, or expects to pay, to the customers (e.g. slotting fees, electronic data interchange subscription, dealer support). The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for distinct goods or services that the customer transfers to the Parent Company.

Refund liabilities. A refund liability is recognized for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Parent Company's refund liabilities arise from its customers' right of return and sales discount. The liability is measured at the amount the Parent Company ultimately expects it will have to return to the customer. The Parent Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Cost and Expense Recognition
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in a decrease in equity, other than those relating to distributions to equity participants. Cost of goods sold, sales, general and administrative expenses, and finance costs are recognized in profit or loss in the period these are incurred.

Foreign Currency-Denominated Transactions
Transactions denominated in foreign currencies are recorded in Philippine peso by applying to the foreign currency amount the exchange rate between the Philippine peso and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate prevailing at the end of the reporting period. All exchange rate differences, including those arising from the translation or settlement and restatement of monetary items at rates different from those at which they were initially recorded, are recognized in profit or loss in the year such differences arise. Nonmonetary items denominated in foreign currencies are measured on a historical cost basis and translated using the exchange rate at the date of transaction.

Employee Benefits
Defined Benefit Plan. The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs, which include current service costs, past service costs, and gains or losses on non-routine settlements, are recognized as an expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by an independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time, which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as an expense or income profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The Parent Company’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

<u>Income Taxes</u>
Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets (DTA) are recognized for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

The Parent Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Input Value-added Tax (VAT). Input VAT represents VAT imposed on the Parent Company by its suppliers and contractors for the acquisition of goods, services, and capital assets required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset against the Parent Company's current output VAT liabilities. Input VAT is stated at its recoverable amount.

Deferred input VAT represents the input VAT related to the unpaid portion of the cost of services and unamortized input VAT related to acquisitions of capital goods.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the Parent Company statement of financial position.

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible note) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Segment Reporting

The Parent Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Provisions

Provisions are recognized when the Parent Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as interest expenses. When the Parent Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Events after the Reporting Period
Post year-end events that provide additional information about the Parent Company's financial position at the end of the reporting period (adjusting events), if any, are reflected in the Parent Company financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to Parent Company financial statements when material.

3. Material Accounting Judgments, Estimates, and Assumptions

The preparation of the Parent Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, costs and expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying the Parent Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the parent company financial statements:

Determining method to estimate variable consideration and assessing the constraint. The Parent Company's contracts with customers include a right of return and sales discounts that give rise to variable consideration. In estimating the variable consideration, the Parent Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Parent Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the revenue with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for sales discounts, the Parent Company determined that using the most likely amount method is appropriate, given that these contracts have single volume threshold.

Before including any amount of variable consideration in the transaction price, the Parent Company considers whether the amount of variable consideration is constrained. The Parent Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Determination of lease term of contracts with renewal and termination options - Company as a lessee. The Parent Company has several lease contracts that include extension and termination options. The Parent Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Parent Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Parent Company expects to exercise its right to renew the lease of real estate properties where its facilities are located; hence, has included the renewal period as part of the lease term.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities are discussed below. The Parent Company based its estimates and assumptions on parameters available when the parent company financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the Parent Company's control. Such changes are reflected in the assumptions when they occur.

Fair Value of Financial Instruments. The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the Parent statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

See Note 9 for further disclosures.

Assessment of Impairment of Non-Financial Assets (Property, plant and equipment, Investment in subsidiaries and joint venture and other noncurrent assets). The Parent Company assesses the impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Parent Company consider important, which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry and economic trends.

a. Investment in Subsidiaries and Joint Venture

   The Parent Company assesses impairment of investments in subsidiaries, associate and joint venture whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The factors that the Parent Company considers important, which could trigger an impairment review include the following:

   - a downgrade of a subsidiary's, associate's or joint venture's credit rating or a decline in the fair value of the subsidiary, associate or joint venture in consideration of other available information

- significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the associate or joint venture operates

The Parent Company determined the recoverable amount of its investments based on adjusted net asset method.

Monde Nissin Singapore Pte Ltd (MNSPL) - The increase of weighted average cost of capital (WACC) rate from 10.10% in 2023 to 8.97% in 2024 and the modest financial projection of Monde Nissin (UK) Limited (MNUKL), a subsidiary of MNSPL, reduced the VIU of MNUKL. This resulted to reduction in the equity value of MNSPL and Parent Company's recognition of impairment loss on investment in MNSPL amounting to ₱9,391.9 million in 2024 and ₱244.6 million in 2023 (see Notes 10 and 17).

b. Trademark

The Parent Company performed its annual impairment test on its trademark with indefinite useful life as of reporting date.

The recoverable amount of trademark was determined using the relief from royalty method. This method considers royalty savings from the ownership of trademark using cash flow projections approved by management covering a 5-year period:

- Growth rates - Growth rate used in the projected future cash flows is at a cumulative rate of 13.00% from 2025 to 2029 and 13.00% from 2024 to 2028 in 2024 and 2023, respectively.

- Discount rate - The pre-tax discount rate of 10.14% in 2024 and 9.63% in2023 was estimated based on the industry weighted average cost of capital, which includes the cost of equity and debt after considering the gearing ratio.

- Royalty savings rate - Royalty savings rate of 0.60% in 2024 and 2023 was estimated based on publicly available information for similar industry.

Information on the Parent Company's impairment loss on trademark is presented in Note 12.

Estimation of Pension and Other Benefits Costs. The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include determining the discount rates, future salary increases, mortality rates, and future pension increases. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

The mortality rate is based on publicly available mortality tables in the Philippines and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates in the Philippines.

Further details about the assumptions used are provided in Note 19.

4. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	**₱923,574**	₱778,899
Cash equivalents	**8,642,879**	11,566,684
	₱9,566,453	₱12,345,583

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term deposits made for varying periods of one month up to three months, depending on the immediate cash requirements, and earn interest at the respective short-term deposit rates.

Interest income from cash and cash equivalents amounted to ₱416.7 million in 2024 and ₱317.8 million in 2023 (see Note 18).

5. Trade and Other Receivables

	2024	2023
Trade receivables:		
Non-related parties	**₱5,481,291**	₱4,338,735
Related parties (Note 20)	**410,557**	401,844
Other receivables		
Non-related parties	**42,432**	52,322
Related parties (Note 20)	**17,503**	26,601
	5,951,783	4,819,502
Less allowance for ECL	**5,666**	2,922
	₱5,946,117	₱4,816,580

Trade receivables are noninterest-bearing and are generally on 30-60 days' terms.

As at December 31, 2024 and 2023, movements in the allowance for ECL follow:

	2024	2023
Balance at beginning of year	**₱2,922**	₱29,519
Provision for (reversal of) ECL (Note 17)	**5,443**	(4,635)
Write-off	**(2,699)**	(21,962)
Balance at end of year	**₱5,666**	₱2,922

6. Inventories

	2024	2023
At cost:		
Finished goods	**₱1,873,613**	₱1,692,655
Raw materials	**1,778,527**	1,286,084
Work in-process	**574,345**	597,813
Packaging and other materials	**426,288**	363,846
In-transit	**174,180**	48,902
	₱4,826,953	₱3,989,300

The Parent Company's allowance for inventory obsolescence represents the cost of inventories written down in full. Movements in the allowance for inventory obsolescence for finished goods are as follows:

	2024	2023
Balance at beginning of year	**₱87,444**	₱235,989
Provision	**30,754**	87,444
Write-off	**(87,444)**	(235,989)
Balance at end of year	**₱30,754**	₱87,444

The cost of inventories sold that are recognized under the "Cost of goods sold" account amounted to ₱45,782.0 million in 2024 and ₱46,109.3 million in 2023 (see Note 16).

Under the terms of the agreements covering liabilities under trust receipts totaling to ₱1,608.5 million and ₱1,607.3 million as at December 31, 2024 and 2023, respectively, certain inventories which approximate the trust receipts payable, have been released to the Parent Company under trust receipt agreement with the banks. The Parent Company is accountable to these banks for the trusteed merchandise or their sales proceeds (see Note 14).

7. Prepayments and Other Current Assets

	2024	2023
Deposits to suppliers and contractors	**₱359,898**	₱–
Prepayments	**312,367**	167,611
Deferred input VAT	**6**	240,950
	₱672,271	₱408,561

Deposits to suppliers and contractors pertains to advance payments for goods and services that are expected to be delivered and rendered within the following year.

Prepayments mainly pertain to prepayments of insurance and advertising expenses.

Deferred input VAT represents the input VAT related to the unpaid portion of the cost of services.

8. Notes Receivable

	2024	2023
Non-related parties (Note 23)	**₱–**	₱500,000
Related parties (Note 20)	**492,130**	475,269
Allowance for ECL (Note 20)	**(115,266)**	(115,266)
Related parties, net of allowance	**376,864**	360,003
	₱376,864	₱860,003

	2024	2023
Current (Notes 20 and 23)	**₱376,864**	₱500,000
Noncurrent (Notes 20 and 23)	**115,266**	475,269
Allowance for ECL (Note 20)	**(115,266)**	(115,266)
Noncurrent, net of allowance	**–**	360,003
Current (Notes 20 and 23)	**₱376,864**	₱500,000

Interest income from notes receivable amounted to ₱20.2 million in 2024 and ₱27.2 million in 2023 (see Notes 18, 20 and 23).

9. Financial Assets

Financial Assets at FVTPL

Financial assets at FVTPL mainly consist of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. Movements in the fair value of financial assets at FVTPL are as follows:

	2024	2023
Balance at January 1	**₱1,674,328**	₱1,756,101
Disposal	**(3,899,692)**	(709,990)
Acquisitions	**3,459,263**	544,700
Fair value change during the year (Note 18)	**60,655**	88,597
Foreign exchange gain (loss)	**9,969**	(5,080)
Balance at end of period	**₱1,304,523**	₱1,674,328

Financial Assets at FVOCI

	2024	2023
Cost		
Figaro Coffee Group, Inc. (FCG)	**₱820,268**	₱820,268
Terramino, Inc.	**108,540**	108,540
	928,808	928,808
Fair value reserve		
FCG	**(114,837)**	(328,107)
	(114,837)	(328,107)
	₱813,971	₱600,701

FCG
On January 25, 2023, the Parent Company's BOD authorized the Parent Company to subscribe for 820,268,295 common shares of FCG ("FCG Shares") out of FCG's unissued authorized capital stock. FCG is a diversified food conglomerate with retail restaurants and branches in the Philippines and abroad, that serve a variety of food offerings and services.

On February 2, 2023, the Parent Company paid an aggregate subscription price of ₱820.3 million for the FCG Shares. As a result, the Parent Company currently holds 15% of FCG's issued and outstanding capital stock.

In 2024 and 2023, the Parent Company recognized dividend income from FCG amounting to ₱22.1 million.

Terramino, Inc.
On March 22, 2023, the Parent Company's BOD approved the Parent Company's subscription for 665,845 Series B Preferred Stock of Terramino, Inc., a Delaware, U.S.-incorporated company engaged in research, development and commercialization of food products made from koji. Said 665,845 preferred shares represents 1.89% of Terramino, Inc.'s outstanding capital stock at a subscription price of up to ₱108.5 million ($2.0 million).

10. Investments in Subsidiaries, Associate, and Joint Venture

	2024	2023
Investments in subsidiaries:		
Monde Nissin Singapore Pte Ltd (MNSPL)	**₱45,584,740**	₱43,297,943
Monde M.Y. San Corporation (MMYSC)	**2,264,180**	2,264,180
KBT International Holdings, Inc. (KBT)	**2,100,628**	800,627
Monde Nissin International Investments Ltd. (MNIIL)	**1,518,300**	1,518,300
Sarimonde Foods Corporation (SFC)	**730,254**	730,254
Monde Nu Agri Corporation (MNAC)	**186,000**	186,000
Amico Innovations, Inc. (Amico)	**17,500**	−
Investments in associate -		
Calaca Harvest Terminal, Inc. (CHTI)	**170,000**	170,000
Investment in a joint venture -		
Monde Malee Beverage Corporation (MMBC)	**166,600**	166,600
	52,738,202	49,133,904
Less allowance for impairment:		
Monde Nissin Singapore Pte Ltd (MNSPL)	**28,511,325**	19,119,406
Monde Nu Agri Corporation (MNAC)	**186,000**	186,000
Monde Malee Beverage Corporation (MMBC)	**166,600**	166,600
Calaca Harvest Terminal, Inc. (CHTI)	**20,885**	−
	28,884,810	19,472,006
	₱23,853,392	₱29,661,898

The Parent Company's percentage ownership and key information on the foregoing investments in subsidiaries, associates and joint venture are as follows:

			Percentage of Ownership			
		Country of	2024		2023	
Entities	Principal Activity	Incorporation	**Direct**	**Indirect**	Direct	Indirect
Subsidiaries						
MNSPL	Investment/sales	Singapore	**100.00**	**–**	100.00	–
MNUKL	Investment holding	United Kingdom	**–**	**100.00**	–	100.00
Marlow Foods Limited (MFL)	Manufacturing, Sales, and Marketing	United Kingdom	**–**	**100.00**	–	100.00
Quorn Smart Life GmbH	Sales, and Marketing	Germany	**–**	**100.00**	–	100.00
Quorn Foods Inc	Sales, and Marketing	United States of America	**–**	**100.00**	–	100.00
Cauldron Foods Ltd*	Sales, and Marketing	United Kingdom	**–**	**100.00**	–	100.00
Quorn Foods Italy SRL**	Sales, and Marketing	Italy	**–**	**100.00**	–	100.00
Quorn Foods Sweden	Sales, and Marketing	Sweden	**–**	**100.00**	–	100.00
Monde Nissin New Zealand Limited (MNNZ)	Distribution of food related goods	New Zealand	**–**	**100.00**	–	100.00
Monde Nissin Holding (Thailand) Limited (MNHTL)***	Investment company	Thailand	**–**	**6.54**	–	6.54
Monexco International Ltd. (MIL)	Manufacture of seasonings	Thailand	**–**	**100.00**	–	100.00
Monde Nissin (Thailand) Company Limited (MNTH)***	Manufacture and distribution of bread and cookies	Thailand	**–**	**56.48**	–	56.48
Da Sun Holdings Pte. Ltd.****	Investment holding	Singapore	**–**	**49.00**	–	–
Sun Operation Co., Ltd.	Manufacture and distribution of animal food and care products	Thailand	**–**	**100.00**	–	–
MNIIL	Investment company	British Virgin Islands	**100.00**	**–**	100.00	–
MNHTL***	Investment company	Thailand	**–**	**93.46**	–	93.46
MNTH***	Manufacture and distribution of bread and cookies	Thailand	**–**	**43.52**	–	43.52
KBT	Investment company	Philippines	**100.00**	**–**	100.00	–
MNAC*	Manufacture, process, and distribution of industrial coconut and agricultural products	Philippines	**90.91**	**–**	90.91	–
SFC	Manufacture and process of bread	Philippines	**80.00**	**–**	80.00	–
All Fit & Popular Foods Inc. (AFPFI)	Manufacturing, importing, exporting, selling and distribution of breads; Purchasing or registering intellectual properties	Philippines	**–**	**80.00**	–	80.00
MMYSC	Manufacture, process, and export of biscuits	Philippines	**100.00**	**–**	100.00	–
Amico	Wholesale and retail trade of goods, wares, and merchandises	Philippines	**70.00**	**–**	–	–
Associate and Joint Venture						
CHTI	Engaged in and carry on a general and commercial business by buying, selling, storage, warehouse and transport of grain and other related commodities	Philippines	**20.00**	**–**	20.00	–
MMBC	Importation, marketing, promotion, and sale of beverage products	Philippines	**48.99**	**–**	48.99	–

**Dormant*
***Dissolved in 2021*
****The Group effectively owns 100%*
*****The Group has determined that it has significant control as it has the power to direct the relevant activities*

MNSPL
On August 9, 2022, the BOD approved to subscribe additional 30,000,000 ordinary shares of MNSPL at an aggregate subscription price of ₱2,048.2 million (GBP30.0 million) payable in five equal tranches on or before December 16, 2022. On the following dates, the Parent Company paid for the following:

Payment date	No. of shares	Amount in GBP	Amount in PHP
	(In Thousands, Except No. of Shares)		
August 23, 2022	6,000,000	£6,000	₱402,418
September 21, 2022	6,000,000	6,000	404,889
October 19, 2022	6,000,000	6,000	413,430
November 17, 2022	6,000,000	6,000	413,144
December 14, 2022	6,000,000	6,000	414,320

In 2023 and 2024, the Parent Company's BOD approved to subscribe additional ordinary shares of MNSPL payable in several tranches.

Approval date	Payment date	No. of shares	Amount in GBP	Amount in PHP
		(In Thousands, Except No. of shares)		
May 10, 2023	May 15, 2023	23,000,000	£23,000	₱1,606,083
May 10, 2023	June 23, 2023	2,000,000	2,000	141,992
May 10, 2023	July 11, 2023	7,500,000	7,500	535,344
May 10, 2023	July 19, 2023	7,500,000	7,500	534,219
August 9, 2023	August 21, 2023	3,956,735	3,957	286,070
August 9, 2023	August 22, 2023	7,227,500	7,227	518,365
August 9, 2023	September 1, 2023	4,815,765	4,816	345,483
September 22, 2023	In one or several tranches, on or before April 30, 2024	4,000,000	4,000	291,391
February 21, 2024	March 5, 2024	27,000,000	27,000	1,916,479
July 29, 2024	In one or several tranches	5,000,000	5,000	364,239

The Parent Company determined the recoverable amount of its investment in MNSPL based on adjusted net asset method.

MMYSC
The Parent Company received cash dividends from MMYSC amounting to ₱4,103.2 million in 2024 and ₱3,012.2 million in 2023.

KBT
In 2017, the Parent Company made additional investments in KBT amounting to ₱28.0 million. As a result of this transaction, the ownership interest of the Parent Company in KBT increased from 91.66% in 2017 to 95.69% in 2018. The Parent Company recognized equity reserve from this transaction amounting to ₱33.4 million (see Note 18).

In November 2023, the Parent Company purchased from minority shareholders of KBT a total of 99,995 common shares of KBT amounting to ₱32,292.0 million. This represents 4.31% of the outstanding capital stock which increased the Parent Company's ownership interest from 95.69% in 2022 to 100.00% in 2023.

On July 29, 2024 and November 6, 2024, the Parent Company's BOD approved and authorized the Parent Company to subscribe for 1,250,000 and 20,000 additional ordinary shares, respectively, in KBT at an aggregate subscription price of ₱1,100.0 million and ₱200.0 million, respectively. The shares were fully paid in August 2024 and November 2024, respectively.

MNAC
On November 26, 2016, the BOD of MNAC approved the cessation of business operation of MNAC effective January 1, 2017. As a result, the Parent Company's investment in MNAC is fully impaired as at December 31, 2024 and 2023.

CHTI
The Parent Company determined the recoverable amount of its investment in CHTI based on adjusted net asset method. In 2024, the Parent Company recognized an allowance for impairment loss amounting to ₱20.9 million.

MMBC
In 2023, MMBC ceased its business operations and has no formal plans to resume commercial operations. As a result, the Group's investment in MMBC is fully impaired as at December 31, 2024 and 2023.

11. Property, Plant and Equipment

2024	Buildings	Building Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Communications Equipment	Machineries Under Installation	Construction In-progress	ROU Land (Note 22)	ROU Building (Note 22)	Total
Cost												
Balance at beginning of year	₱5,893,848	₱1,303,055	₱74,825	₱13,584,053	₱123,016	₱71,484	₱185,727	₱2,005,031	₱1,155,328	₱2,122,111	₱–	₱26,518,478
Additions	605,918	57,966	4,410	630,222	3,178	15,481	6,466	1,050,676	978,878	259,999	–	3,613,194
Disposals and retirement	(75,322)	(17,835)	(5,635)	(806,224)	(11,901)	(13,000)	(33)	–	–	–	–	(929,950)
Reclassifications	634,314	24,400	331	733,036	2,237	–	–	(560,064)	(834,254)	–	–	–
Adjustments	–	–	–	(481,059)	–	–	–	–	–	–	–	(481,059)
Balance at end of year	7,058,758	1,367,586	73,931	13,660,028	116,530	73,965	192,160	2,495,643	1,299,952	2,382,110	–	28,720,663
Accumulated Depreciation												
Balance at beginning of year	2,177,233	390,952	56,273	7,368,681	93,837	29,282	156,436	–	–	213,945	–	10,486,639
Depreciation (Notes 16, 17 and 18)	279,570	62,934	1,803	743,129	11,508	13,117	14,210	–	–	51,238	–	1,177,509
Disposals and retirement	(24,320)	(14,412)	(2,137)	(647,539)	(11,426)	(10,340)	(34)	–	–	–	–	(710,208)
Reclassifications	(1,464)	–	–	1,464	–	–	–	–	–	–	–	–
Balance at end of year	2,431,019	439,474	55,939	7,465,735	93,919	32,059	170,612	–	–	265,183	–	10,953,940
Accumulated Impairment												
Balance at beginning of year	4,042	137,926	–	611,537	–	–	–	486,311	155,674	–	–	1,395,490
Reversal of impairment loss (Note 17)	–	–	–	–	–	–	–	–	(49,500)	–	–	(49,500)
Disposals and retirement	–	–	–	(206,804)	–	–	–	–	–	–	–	(206,804)
Reclassification	–	–	–	206,804	–	–	–	(49,369)	(157,435)			–
Adjustments	–	23,554	–	(112,166)	–	–	–	(354,270)	442,882	–	–	–
Balance at the end of year	4,042	161,480	–	499,371	–	–	–	82,672	391,621	–	–	1,139,186
Net Book Value	₱4,623,697	₱766,632	₱17,992	₱5,694,922	₱22,611	₱41,906	₱21,548	₱2,412,971	₱908,331	₱2,116,927	₱–	₱16,627,537

2023	Buildings	Building Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Communications Equipment	Machineries Under Installation	Construction In-progress	ROU Land (Note 22)	ROU Building (Note 22)	Total
Cost												
Balance at beginning of year	₱5,932,800	₱1,324,584	₱84,796	₱15,219,044	₱131,485	₱81,117	₱179,863	₱1,722,924	₱325,501	₱2,122,111	₱104,070	₱27,228,295
Additions	–	–	–	551,080	1,722	26,933	600	873,339	1,109,036	–	–	2,562,710
Disposals	(271,145)	(62,330)	(11,644)	(2,741,999)	(16,866)	(36,566)	(13,476)	(3,951)	(10,480)	–	(104,070)	(3,272,527)
Reclassifications	232,193	40,801	1,673	555,928	6,675	-	18,740	(587,281)	(268,729)	–	–	–
Balance at end of year	5,893,848	1,303,055	74,825	13,584,053	123,016	71,484	185,727	2,005,031	1,155,328	2,122,111	–	26,518,478
Accumulated Depreciation												
Balance at beginning of year	2,189,944	387,289	64,629	9,395,219	98,436	52,165	145,155	–	–	163,849	85,380	12,582,066
Depreciation (Notes 16, 17 and 18)	247,045	58,879	1,928	710,268	12,031	12,302	24,743	–	–	50,096	18,690	1,135,982
Disposals and retirement	(259,756)	(55,216)	(10,284)	(2,736,806)	(16,630)	(35,185)	(13,462)	–	–	–	(104,070)	(3,231,409)
Balance at end of year	2,177,233	390,952	56,273	7,368,681	93,837	29,282	156,436	–	–	213,945	–	10,486,639
Accumulated Impairment												
Balance at beginning of year	4,042	145,248	–	615,303	–	–	–	571,764	166,869	–	–	1,503,226
Impairment loss (Note 17)	–	(7,322)	–	(3,766)	–	–	–	(71,022)	(11,195)	–	–	(93,305)
Disposals and retirement	–	–	–	-	–	–	–	(14,431)	–	–	–	(14,431)
Balance at the end of year	4,042	137,926	–	611,537	–	–	–	486,311	155,674	–	–	1,395,490
Net Book Value	₱3,712,573	₱774,177	₱18,552	₱ 5,603,835	₱29,179	₱42,202	₱29,291	₱1,518,720	₱999,654	₱1,908,166	₱–	₱14,636,349

Machineries under installation pertain to plant equipment for various product lines that are still under installation and which are expected to be completed in 2025. Additions to machineries under installation include costs for the construction of a new production and research and development facilities.

Construction in-progress pertains to the construction of building improvements, which is expected to be completed in 2027. There were no capitalized borrowing costs as the construction-in-progress were funded by cash from operations.

The reversal of recognized impairment loss amounting to ₱49.5 million in 2024 and ₱93.3 million in 2023 is based on FVLCD and VIU calculation, respectively. The VIU of assets with reversal of impairment in 2023 is ₱110.3 million since these assets pertain to discontinued product lines and machines that did not pass trial run. Management assessed that any scrap value (FVLCD) is not material.

The Parent Company has capital commitments for acquisitions of plant machineries, equipment and building expansions amounting to ₱486.0 million and ₱1,426.0 million as at December 31, 2024 and 2023, respectively.

12. Intangible Assets

	2024				
	Distribution Rights (Note 23)	**Software**	**Intellectual Property License**	**Trademark*** (Note 20)	**Total**
Cost					
Balance at beginning of year	**₱727,560**	**₱353,785**	**₱66,141**	**₱14,459**	**₱1,161,945**
Additions	–	**107,804**	–	–	**107,804**
Disposals	–	**(438)**	–	–	**(438)**
Balance at end of year	**727,560**	**461,151**	**66,141**	**14,459**	**1,269,311**
Accumulated Amortization					
Balance at beginning of year	**342,559**	**190,913**	**7,827**	–	**541,299**
Amortization (Notes 16, 17 and 18)	**36,378**	**45,458**	**7,393**	–	**89,229**
Disposals	–	**(391)**	–	–	**(391)**
Balance at end of year	**378,937**	**235,980**	**15,220**	–	**630,137**
Accumulated impairment					
Balance at beginning of year	–	–	–	**7,130**	**7,130**
Impairment loss (Note 17)	–	–	–	–	–
Balance at end of year	–	–	–	**7,130**	**7,130**
Net Book Value	**₱348,623**	**₱225,171**	**₱50,921**	**₱7,329**	**₱632,044**

**Indefinite useful life*

	2023				
	Distribution Rights (Note 23)	Software	Intellectual Property License	Trademark* (Note 20)	Total
Cost					
Balance at beginning of year	₱727,560	₱317,615	₱34,639	₱14,459	₱1,094,273
Additions	–	45,790	31,502	–	77,292
Disposals	–	(9,620)	–	–	(9,620)
Balance at end of year	727,560	353,785	66,141	14,459	1,161,945
Accumulated amortization					
Balance at beginning of year	306,181	158,411	700	–	465,292
Amortization (Notes 16, 17 and 18)	36,378	42,098	7,127	–	85,603
Disposals	–	(9,596)	–	–	(9,596)
Balance at end of year	342,559	190,913	7,827	–	541,299
Accumulated impairment					
Balance at beginning of year	–	–	–	2,481	2,481
Impairment loss (Note 17)	–	–	–	4,649	4,649
Balance at end of year	–	–	–	7,130	7,130
Net Book Value	₱385,001	₱162,872	₱58,314	₱7,329	₱613,516

**Indefinite useful life*

Distribution rights were from the Parent Company's Distribution, and Marketing and Sales Development Agreement with SSCC wherein SSCC appointed the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years until July 25, 2034 (see Note 23). As at December 31, 2024, the remaining amortization period is 9 years and 7 months.

13. Accounts Payable and Other Current Liabilities and Refund Liabilities

	2024	2023
Trade payables to:		
Non-related parties	**₱3,359,423**	₱2,593,822
Related parties (Note 20)	**2,917,875**	1,922,262
Nontrade payables to:		
Non-related parties	**2,613,247**	3,342,248
Related parties (Note 20)	**–**	481,058
Statutory payables	**788,357**	636,659
Accruals for:		
Personnel costs	**320,869**	263,824
Selling, general and administrative expenses	**252,784**	75,098
Advertising and promotions	**74,870**	133,732
Provisions	**104,659**	89,474
Contract liability	**27,437**	58,534
Others	**3,489**	3,430
	₱10,463,010	₱9,600,141

Accounts payable and other current liabilities are noninterest-bearing and are generally settled within 30 to 60 days.

Trade payables pertain to liabilities to suppliers for the purchase of raw materials, finished goods, and other costs directly related to the operations of the Parent Company and are generally settled within 30 to 60 days.

Non-trade payable includes liabilities related to utilities, advertising, other operating and manufacturing overhead expenses. Non-trade payable to related party in 2023 pertains to purchase of machinery and equipment (see Note 20).

Statutory payables comprise mainly of the Parent Company's liabilities to the tax authority.

Provisions pertain to claims by third parties in the ordinary course of business. As allowed by PAS 37, only a general description is provided as the disclosure of additional details beyond the present disclosures may prejudice the Parent Company's position and negotiation strategies with respect to these matters.

Refund Liabilities
As at December 31, 2024 and 2023, the Parent Company's refund liabilities amounted to ₱378.8 million and ₱406.7 million, respectively.

14. **Acceptance and Trust Receipts Payable**

This account represents the Parent Company's peso and US dollar-denominated liabilities incurred in connection with the importations and acquisitions of raw materials from foreign suppliers. These raw materials are insured in compliance with the requirements of the bank. These liabilities are for a period of 1 year, with an average annual interest rate of 5.60% in 2024 and 5.50% in 2023.

The Parent Company has outstanding acceptance and trust receipts payable amounting to ₱1,608.5 million and ₱1,607.3 million as at December 31, 2024 and 2023, respectively. Interest expense recognized amounted to ₱112.3 million in 2024 and ₱99.0 million in 2023 (see Note 18).

15. **Equity**

Capital Stock and Additional Paid-in Capital (APIC)
The details of the Parent Company's common stock as at December 31, 2024 and 2023 follows:

Authorized number of shares	20,400,000,000
Par value per share	₱0.50
Issued and outstanding common shares	17,968,611,496

The details of the Parent Company's additional paid-in capital as at December 31, 2024, 2023 and 2022 follows:

	2024	2023	2022
Balance at January 1	**₱39,361,947**	₱46,515,847	₱46,515,847
Equity restructuring	–	(7,153,900)	–
Balance at end of period	**₱39,361,947**	₱39,361,947	₱46,515,847

The Parent Company's record of registration of its securities follows:

Number of shares registered	17,968,611,496
Issue/offer price	₱13.50
Date of approval	April 20, 2021

The total number of stockholders was 24 as at December 31, 2024 and 2023, respectively. With respect to the Parent Company's stockholders as at December 31, 2024, the shares were either held (a) in certificated form or (b) in scripless form held under the account of PCD Nominee Corp. (PCD Nominee) through 142 trading participants (*i.e.*, brokers and custodians) of the Philippine Depository & Trust Corp. (PDTC). The shares lodged under PCD Nominee are further broken down into PCD Nominee (Filipino) and PCD Nominee (Non-Filipino).

Amendment of AOI

On March 1, 2021, at least a majority of the members of the BOD of the Parent Company and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company approved certain amendments to the Parent Company's Articles of Incorporation including the amending the authorized capital stock of the Parent Company (without increasing or decreasing the same) such that the authorized number of shares, as amended, shall be:

a. 20,400,000,000 common shares with a par value of ₱0.50 per share, from the current par value of ₱1.00 per share; and
b. 3,600,000,000 preferred shares classified into:

Class of Preferred Shares	No. of shares	Par value	Amount
Non-voting "A"	400,000,000	₱1.00	₱400,000
Non-voting "B"	800,000,000	1.00	800,000
Voting "C"	2,400,000,000	0.25	600,000
Total	3,600,000,000		₱1,800,000

Said preferred shares' issue value, dividend rate and the terms and conditions of their redemption shall be determined by the BOD at the time of their respective issuances. Furthermore, they shall be cumulative and non-participating as to dividends and non-convertible into common shares. Said preferred shares shall also enjoy preference in assets in the event of liquidation of the Parent Company and in the payment of dividends as against common shares; however, they shall not enjoy any pre-emptive rights to any issue of shares (whether common or preferred).

These amendments on the Parent Company's AOI was approved by the SEC on April 7, 2021.

There have been no issuances of preferred stock as at December 31, 2024 and 2023.

Retained Earnings

Parent Company

On the following dates, the BOD approved the following cash dividends, all of which have been previously appropriated except for 2023 and 2022:

Dividend declaration and stockholders of record date	Dividend per share	Amount
November 6, 2024	₱0.14	₱2,515,606
April 10, 2024	0.12	2,156,233
November 29, 2023	0.12	2,156,233
August 9, 2022	0.14	2,515,606

On March 26, 2025, the BOD approved the declaration of regular cash dividends of ₱0.15 per common share to stockholders of record as of April 25, 2025, payable on or before May 22, 2025.

As at December 31, 2024 and 2023, dividends payable amounted to nil and ₱2,156.2 million, respectively.

The BOD approved the following:

- On August 9, 2022, reversal of the 2021 appropriation for ₱3,900.0 million for expansions, and other capital requirements.
- On December 19, 2022, appropriation of ₱5,000.0 million for plant expansions and other capital expenditure requirements.
- On March 22, 2023, reversal of the 2022 appropriation amounting to ₱5,000.0 million for expansions and other capital requirements.

As at December 31, 2024 and 2023, the Parent Company's appropriated retained earnings are nil.

Equity Restructuring
On March 29, 2023, the Parent Company's BOD approved the equity restructuring of the Parent Company by offsetting the Deficit as at December 31, 2022 against available additional paid-in capital (APIC) as at December 31, 2022.

On June 9, 2023, SEC approved the Parent Company's equity restructuring to wipe-out the deficit as at December 31, 2023 in the amount of ₱7,153.9 million against the APIC of ₱46,515.8 million.

Earnings per Share
The following reflects the income and share data used in the basic and diluted EPS computation:

Basic and Diluted EPS

	2024	2023
(In Thousands, Except Number of Shares and Per Share Data)		
Net income attributable to equity holders of the parent:	**₱2,705,350**	₱9,145,561
Weighted average number of common shares	**17,968,611,496**	17,968,611,496
Basic/diluted EPS	**₱0.15**	₱0.51

16. Cost of Goods Sold

	2024	2023
Direct materials (Note 20)	**₱41,256,256**	₱40,682,542
Direct labor (Note 18)	**1,780,643**	1,674,251
Manufacturing overhead:		
Depreciation and amortization (Notes 11 and 18)	**919,282**	866,356
Light and water	**486,374**	449,934
Repairs and maintenance	**448,550**	504,568
Plant utilities and other consumption	**381,554**	299,230
Steam	**380,504**	480,975
Taxes and licenses	**157,484**	153,633
Indirect labor (Note 18)	**54,486**	58,954
Others	**402,600**	416,428
Total manufacturing costs	**46,267,733**	45,586,871
Inventory movements (Note 6):		
Finished goods	**(529,257)**	354,688
Work in-process	**43,526**	167,705
	₱45,782,002	₱46,109,264

17. **Sales, General and Administrative Expenses**

a. Selling and distribution expenses

	2024	2023
Transportation and delivery	**₱2,875,542**	₱2,562,670
Advertising and promotional expense	**2,002,100**	1,699,896
Merchandising expense	**740,579**	733,245
	₱5,618,221	₱4,995,811

b. General and administrative expenses

	2024	2023
Salaries, wages and employee benefits (Note 18)	**₱1,960,733**	₱1,761,366
Logistics warehouse handling costs	**444,012**	358,762
Outside services	**409,482**	323,693
Depreciation and amortization (Notes 11, 12 and 18)	**347,456**	355,229
Repairs and maintenance	**166,062**	139,515
Membership and subscription	**158,107**	113,332
Miscellaneous Expense	**143,478**	123,084
Taxes and licenses	**125,623**	108,486
Travel expense	**110,327**	70,136
Fringe benefit tax	**85,290**	65,924
Research and development	**61,386**	172,630
Donations	**55,053**	10,821
Light and water	**43,898**	35,188
Entertainment, amusement and recreation	**42,860**	24,181
Telecommunication	**38,261**	29,810
Rent (Notes 20 and 22)	**32,466**	3,656
Training expense	**17,796**	21,649
Insurance	**10,106**	13,567
Office supplies	**7,985**	10,800
Provision for (reversal of) ECL (Note 5)	**5,443**	(4,635)
Inventory loss	**–**	5,129
Others	**147,262**	66,628
	₱4,413,086	₱3,808,951

c. Impairment (reversal of) loss

	2024	2023
Investments in subsidiaries, associate, and joint venture (Note 10)	**₱9,412,804**	₱244,608
Property, plant and equipment (Note 11)	**(49,500)**	(93,305)
Intangible assets (Note 12)	**–**	4,649
	₱9,363,304	₱155,952

18. Finance Costs and Other Income and Expenses

a. Finance costs

	2024	2023
Acceptance and trust receipts payable (Note 14)	**₱112,316**	₱99,036
Lease liabilities (Note 22)	**95,096**	93,842
Loans payable	–	14,741
Others	**18,308**	14
	₱225,720	₱207,633

b. Finance income

	2024	2023
Cash and cash equivalents (Note 4)	**₱416,703**	₱317,768
Notes receivable (Notes 8, 20 and 23)	**20,208**	27,169
Guarantee fee (Note 20)	**17,693**	26,897
	₱454,604	₱371,834

c. Other income

	2024	2023
Promotional fees	**₱151,600**	₱154,548
Foreign exchange gain – net	**114,033**	86,296
Rental income	**84,826**	83,410
Fair value gain on financial assets at FVTPL	**60,655**	88,597
Service fees	**57,302**	33,718
Miscellaneous income (Note 20)	**5,487**	2,233
	₱473,903	₱448,802

d. Personnel costs

	2024	2023
Cost of goods sold:		
Direct labor (Note 16)	**₱1,767,935**	₱1,641,702
Indirect labor (Note 16)	**54,486**	58,954
Retirement expense (Notes 16 and 19)	**12,708**	32,549
Sales, general and administrative expenses:		
Salaries and wages (Note 17)	**1,699,784**	1,559,058
Other employee benefits (Note 17)	**100,471**	59,138
Employee benefits (Note 17)	**96,777**	83,564
Retirement expense (Notes 17 and 19)	**63,701**	59,606
	₱3,795,862	₱3,494,571

e. Depreciation and amortization expense

	2024	2023
Property, plant and equipment (Notes 11, 16 and 17)	**₱1,177,509**	₱1,135,982
Intangible assets (Notes 12, 16 and 17)	**89,229**	85,603
	₱1,266,738	₱1,221,585

	2024	2023
Cost of goods sold (Note 16)	**₱919,282**	₱866,356
Sales, general and administrative expenses (Note 17)	**347,456**	355,229
	₱1,266,738	₱1,221,585

19. Pension Liability

The Parent Company provides retirement benefits in accordance with Republic Act 7641, *Retirement Pay Law*. The benefit plan is noncontributory and is paid in a lump sum upon retirement or separation. These benefits are funded by the Parent Company. Contributions and costs are determined in accordance with the actuarial study made for the plan. The latest actuarial valuation report is December 31, 2024.

The Parent Company appointed a local trustee bank as the retirement plan trustee. The trustee bank is responsible for the general administration of the retirement Plan and the management of the retirement fund. As the administrator of the retirement plan, the trustee bank is responsible for the ultimate control, disposition, or management of the money received or contributed.

Changes in the net defined benefit liability in 2024 and 2023 follow:

	2024											
	Net Benefit Cost in Profit or Loss					**Remeasurements in OCI**						
	January 1, 2024	**Current Service Cost**	**Net Interest Cost**	**Subtotal**	**Benefits Paid**	**Actuarial Changes Arising from Financial Assumptions**	**Actuarial Changes Arising from Demographic Assumptions**	**Actuarial Changes Arising from Changes in Experience Adjustments**	**Remeasurement Gain on Plan Asset**	**Subtotal**	**Contributions by Employer**	**December 31, 2024**
Present value of defined benefit obligation	**(₱1,263,069)**	**(₱98,810)**	**(₱77,552)**	**(₱176,362)**	**₱88,971**	**(₱7,060)**	**(₱2,887)**	**(₱72,815)**	**₱–**	**(₱82,762)**	**₱27,702**	**(₱1,405,520)**
Fair value of plan asset	**399,414**	**–**	**21,792**	**21,792**	**(88,971)**	**–**	**–**	**–**	**872**	**872**	**–**	**333,107**
Net pension liability	**(₱863,655)**	**(₱98,810)**	**(₱55,760)**	**(₱154,570)**	**₱–**	**(₱7,060)**	**(₱2,887)**	**(₱72,815)**	**₱872**	**(₱81,890)**	**₱27,702**	**(₱1,072,413)**

	2023											
	Net Benefit Cost in Profit or Loss					Remeasurements in OCI						
	January 1, 2023	Current Service Cost	Net Interest Cost	Subtotal	Benefits Paid	Actuarial Changes Arising from Financial Assumptions	Actuarial Changes Arising from Demographic Assumptions	Actuarial Changes Arising from Changes in Experience Adjustments	Remeasurement Gain on Plan Asset	Subtotal	Contributions by Employer	December 31, 2023
Present value of defined benefit obligation	(₱863,805)	(₱58,278)	(₱62,367)	(₱120,645)	₱71,420	(₱225,553)	(₱76,318)	(₱73,872)	₱–	(₱375,743)	₱25,704	(₱1,263,069)
Fair value of plan asset	446,557	–	29,663	29,663	(71,420)	–	–	–	(5,386)	(5,386)	–	399,414
Net pension liability	(₱417,248)	(₱58,278)	(₱32,704)	(₱90,982)	₱–	(₱225,553)	(₱76,318)	(₱73,872)	(₱5,386)	(₱381,129)	₱25,704	(₱863,655)

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions. The trustee has no specific matching strategy between the plan assets and the retirement obligation. The Parent Company is not required to pre-fund the defined benefit obligation before they become due. The amount and timing of contributions to the retirement fund are at the Parent Company's discretion.

The carrying value and fair value of plan assets by each class as at the end of the reporting period are as follow:

	2024	2023
Debt instruments:		
Fixed rate treasury notes and retail treasury bonds	**₱276,833**	₱330,301
Corporate bond and fixed-rate notes	**51,556**	53,416
Cash and cash equivalents	**471**	3
Liabilities	**(446)**	(520)
Investments in UITF	**−**	11,535
Others	**4,693**	4,679
	₱333,107	₱399,414

The plan assets have diverse investments and do not have any concentration risk.

The costs of the defined benefit pension plan and the present value of the pension obligation are actuarially determined using the projected unit credit method. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension benefit obligations for the defined benefit plans are shown below:

	2024	2023
Discount rate	**6.09%**	6.14%
Salary increase rate	**6.00%**	6.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023, assuming all other assumptions were held constant:

		2024	2023
	Increase (decrease)	**Effect on Defined Benefit Obligation**	
Discount rates	**1.00%**	**(₱130,692)**	(₱116,656)
	(1.00%)	**154,632**	137,590
Future salary increases	**(1.00%)**	**153,200**	136,388
	1.00%	**(131,940)**	(117,823)

The average duration of the defined benefit obligation at the end of the reporting period is 10.2 years in 2024 and 10.1 years in 2023.

Shown below is the expected future benefit payment:

Financial Year	**2024**	2023
Year 1	**₱161,346**	₱124,327
Year 2	**87,941**	96,367
Year 3	**71,565**	93,623
Year 4	**81,871**	70,589
Year 5	**143,859**	79,000
Years 6–10	**848,740**	823,500

20. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The Parent Company has Material Related Party Transaction Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

As at December 31, 2024, and 2023, the Parent Company has the following significant transactions with its related parties and the outstanding balances:

Nature	Year	Volume of Transactions	Outstanding Balance	Terms	Conditions
Subsidiaries					
MMYSC					
(a) Trade sales	**2024**	**₱650,393**	**₱132,604**	60 days;	Unsecured;
	2023	₱796,144	₱141,702	noninterest-bearing	no impairment
(b) Rent Expense	**2024**	**2,284**	–	60 days;	Unsecured
	2023	–	–	noninterest-bearing	
(c) Charges (expenses)	**2024**	**115**	–	On-demand, noninterest-	Unsecured
	2023	105	(27)	bearing	
(d) Trade purchases, net	**2024**	**11,653,065**	**(2,124,684)**	45 days;	Unsecured
	2023	10,867,628	(1,545,840)	noninterest-bearing	
(e) Purchase of machinery and equipment	**2024**	–	–	45 days;	Unsecured
	2023	776	–	noninterest-bearing	
(f) Miscellaneous income	**2024**	**80,743**	**15,713**	On-demand; noninterest-	Unsecured;
	2023	44,227	13,199	bearing	no impairment
(g) Dividends (Note 10)	**2024**	**4,103,204**	**(2,500,083)**	On-demand; noninterest-	Unsecured
	2023	3,012,182	–	bearing	
MIL					
(a) Notes receivable – noncurrent	**2024**	–	–	Payable quarterly until	Unsecured
	2023	17,169	360,003	June 30, 2025; interest-bearing	
(b) Notes receivable – current	**2024**	**14,290**	**376,864**	Payable quarterly until	Unsecured
	2023	–	–	June 30, 2025; interest-bearing	
(c) Trade sales	**2024**	**44,929**	**22,426**	60 days from Bill of lading	Unsecured;
	2023	33,642	14,879	date; noninterest-bearing	no impairment
(d) Trade purchases	**2024**	**3,016,197**	**(645,601)**	45 days from Bill of lading	Unsecured;
	2023	2,894,985	(247,380)	date; noninterest-bearing	no impairment
(e) Miscellaneous income	**2024**	**462**	**462**	30 days; noninterest-	Unsecured;
	2023	462	460	bearing	no impairment

(Forward)

Nature	Year	Volume of Transactions	Outstanding Balance	Terms	Conditions
(f) Purchase of machinery and equipment	**2024**	**₱–**	**₱–**	45 days from Bill of lading date; noninterest-bearing	Unsecured; no impairment
	2023	₱14,047	₱–		
MNTH					
(a) Trade purchases, net	**2024**	**268,759**	**(56,854)**	60 days from Bill of lading date; noninterest-bearing	Unsecured
	2023	164,607	(23,926)		
(b) Purchase of machinery and Equipment	**2024**	**23,598**	–	60 days from Bill of lading date; noninterest-bearing	Unsecured
	2023	481,058	(481,058)		
(c) Trade sales	**2024**	**276,311**	**131,307**	150 days from Bill of lading date; noninterest-bearing	Unsecured; no impairment
	2023	333,982	135,954		
(d) Miscellaneous income	**2024**	**42,906**	**42,919**	30 days; noninterest-bearing	Unsecured; no impairment
	2023	39,956	39,868		
(e) Charges (expense)	**2024**	**–**	**–**	30 days; noninterest-bearing	Unsecured
	2023	1,732	–		
MNUKL					
(a) Trade purchases, net	**2024**	**–**	**–**	60 days from Bill of lading date; noninterest-bearing	Unsecured
	2023	–	–		
(b) Charges (expense)	**2024**	**4,785**	**(4,730)**	30 days; noninterest-bearing	Unsecured
	2023	–	–		
(c) Miscellaneous income	**2024**	**7,282**	**7,277**	30 days; noninterest-bearing	Unsecured
	2023	7,133	7,098		
(d) Guarantee fee	**2024**	**17,693**	**17,503**	Payable annually on or before January 31, 2023; interest-bearing	Unsecured
	2023	26,897	26,601		
MNSPL					
(a) Trade sales	**2024**	**15,944**	**2,054**	30 days; noninterest-bearing	Unsecured; no impairment
	2023	5,269	3,825		
(b) Professional fees	**2024**	**14,868**	**–**	30 days; noninterest-bearing	Unsecured; no impairment
	2023	34,836	(5,768)		
(c) Miscellaneous income	**2024**	**1,314**	**216**	30 days; noninterest-bearing	Unsecured; no impairment
	2023	–	–		
KBT					
(a) Miscellaneous income	**2024**	**4**	**1**	60 days; noninterest-bearing	Unsecured
	2023	–	–		
SFC					
(a) Trade purchases, net	**2024**	**569,443**	**(43,161)**	30 days; noninterest-bearing	Unsecured
	2023	608,237	(50,117)		
(b) Rent income	**2024**	**84,826**	**23,751**	5 days; noninterest-bearing	Unsecured;
	2023	83,410	23,751		
(c) Trade sales	**2024**	**106,234**	**25,228**	30 days; noninterest-bearing	Unsecured; no impairment
	2023	99,402	17,986		
(d) Miscellaneous income	**2024**	**12,405**	**6,595**	30 days; noninterest-bearing	Unsecured; no impairIt
	2023	11,149	3,122		
(e) Loans payable	**2024**	–	–	3 years; interest-bearing	Unsecured; no impairment
	2023	322,487	–		
(f) Interest expense	**2024**	–	–	3 years; interest-bearing	Unsecured; no impairment
	2023	14,741	–		
Associate					
CHTI					
(a) Transportation and delivery Expense	**2024**	**316,796**	**(42,845)**	15 days; noninterest-bearing	Unsecured
	2023	324,596	(49,204)		
Associates and joint ventures					
Monde Land, Inc.*					
(a) Rent expense	**2024**	**66,541**	**(5,234)**	15 days; noninterest-bearing	Unsecured
	2023	64,808	–		
(b) Miscellaneous Income	**2024**	**17**	**3**	60 days; Noninterest-bearing	Unsecured
	2023	–	–		

(Forward)

Nature	Year	Volume of Transactions	Outstanding Balance	Terms	Conditions
Honey Droplet Limited**					
(a) Noncurrent receivables (Note 8)	**2024**	**₱–**	**₱–**	4-6 years;	Unsecured;
	2023	₱–	₱–	interest-bearing	gross advances amounted to ₱115.3 million in 2023 and 2022; fully impaired in 2023 and 2022
YCE Group Pte Ltd.***					
(a) Noncurrent receivables (Note 8)	**2024**	**–**	**–**	Interest-bearing	Unsecured;
	2023	–	–		fully impaired in 2023
Common shareholders					
PT. Nissin Biscuit Indonesia****					
(a) Trade purchases, net	**2024**	**47,781**	**(3,883)**	45 days;	Unsecured
	2023	46,075	–	noninterest-bearing	
Totals					
Trade and other receivables	**2024**		**₱428,060**		
(Note 5)	2023		₱428,445		
Notes receivable – Current (Note 8)	**2024**		**376,864**		
	2023		–		
Noncurrent receivables (net of	**2024**		**–**		
impairment amounting to ₱115.3 million (Note 8)	2023		360,003		
Trade payables (Note 13)	**2024**		**(2,917,875)**		
	2023		(1,922,262)		
Non-trade payables (Note 13)	**2024**		**–**		
	2023		(481,058)		

** Monde Land, Inc. is 40% owned by KBT, a subsidiary.*
*** Honey Droplet Limited is 50% owned by MNSPL, a subsidiary.*
**** YCE Group Pte Ltd. is 32% owned by MNSPL, a subsidiary.*
*****PT Nissin Biscuit Indonesia has common individual shareholder*

These transactions with related parties will be settled through cash.

MNSPL
On February 21 and July 29, 2024, the BOD approved to subscribe additional 27,000,000 and 5,000,000 ordinary shares of MNSPL at an aggregate subscription price of ₱1,916.5 million (GBP27.0 million) and ₱364.2 million (GBP5.0 million) respectively, payable in one or several tranches. As at December 31, 2024 and 2023, the Parent Company’s subscription payable amounted to ₱250.5 million and ₱284.5 million, respectively (see Note 10).

MMYSC
The Parent Company and MMYSC entered into a Distribution Agreement wherein MMYSC engaged the services of the Parent Company to handle the warehousing, selling, billing, delivery, and merchandising of all products of MMYSC in the Philippines. This agreement shall be in force and will govern all transactions and relations between both parties until cancelled or terminated.

MIL
On July 1, 2021, the Parent Company and MIL agreed to enter short-term promissory note for the payment of advances to MIL amounting to ₱317.2 million. MIL shall pay quarterly interest on the outstanding principal at a rate of 4.16% per annum. On July 1, 2022, the Parent Company and MIL agreed to extend the maturity of the promissory note to June 30, 2025 with interest at 3.83% per annum.

On July 15, 2022, the Parent Company and MIL agreed to enter short-term promissory note for the payment of advances to MIL amounting to ₱167.3 million. MIL shall pay quarterly interest on the outstanding principal at a rate of 3.83% per annum.

Interest income from notes receivable from MIL amounted to ₱14.3 million in 2024 and ₱17.2 million in 2023 (see Notes 8 and 18).

MFL
On March 24, 2022, the Parent Company (Guarantor) entered into a Guarantee Agreement with Citicorp International Limited, as agent for and on behalf of certain financial institutions (Finance Parties), to guarantee the ₱7,059.4 million (£103 million) loan of Parent Company's wholly owned, UK-based indirect subsidiary Marlow Foods Ltd. (Borrower). The Guarantor undertakes with each Finance Party that whenever the Borrower does not pay any amount when due or in connection with any finance document, the Guarantor shall promptly on demand pay the amounts as if it was the principal obligor.

On December 7, 2022, the Parent Company and MFL entered into Guarantee Fee Agreement to compensate the Parent Company for providing the Guarantee. MFL shall pay yearly guarantee fee for the outstanding commitment at a rate of 4% per annum.

Interest income recognized by the Parent Company from Guarantee Fee Agreement amounted to ₱17.7 million in 2024 and ₱26.9 million in 2023 (see Notes 18 and 20).

SFC
On October 1, 2020, the Parent Company entered into a Supply Agreement with SFC for an initial term effective up to December 31, 2025, wherein SFC will manufacture and deliver fresh breads, similar fresh confectionery products, other bread-related products and by-products to the Parent Company. The Supply Agreement will automatically renew unless either of the parties gives a written notice of its intention not to renew within 3 months prior to its effective termination date.

On January 26, 2023, the Parent Company entered into a 3-year Promissory Note agreement with SFC amounting to ₱267.7 million ($4.9 million) with maturity date at January 26, 2026. The Parent Company shall pay interest on the outstanding principal amount at a rate per annum equal to 1 month Secured Overnight Financing Rate (SOFR) plus 1.70%. Interest and principal payment shall be made in United States Dollar (USD). The loans payable was paid in full on October 16, 2023.

On February 9, 2023, the Parent Company entered into a 3-year Promissory Note agreement with SFC amounting to ₱54.8 million ($1.0 million) with maturity date at February 9, 2026. The Parent Company shall pay interest on the outstanding principal amount at a rate per annum equal to 1M Secured Overnight Financing Rate (SOFR) plus 1.70%. Interest and principal payment shall be made in United States Dollar (USD). The loans payable was paid in full on October 16, 2023.

YCE
In 2021, the Parent Company recognized interest income amounting to ₱0.8 million and partially reversed provision for ECL amounting to ₱77.4 million as a result of settlement of advances to YCE. The remaining provision of ₱0.9 million is subsequently written off (see Note 8).

Miscellaneous Income
Miscellaneous income mainly comprises of service fees charged by the Parent Company primarily for reimbursement of investees' share in common expenses, rental income, reversal of ECL (see Notes 5 and 8), market valuation gain on financial instruments at FVTPL, gain on sale of property and equipment - net, and other miscellaneous items which are recorded under the "Other income (expenses)" account in the Parent Company statements of comprehensive income.

Compensation of Key Management Personnel

	2024	2023
Short-term employee benefits	**₱1,074,463**	₱990,369
Post-employment benefits	**71,983**	138,271
	₱1,146,446	₱1,128,640

21. Income Tax

Current income tax
In 2024, the Parent Company was registered with the Board of Investments (BOI) as a Domestic Market Enterprise for the production of Butter Coconut Biscuits in its Davao manufacturing plant. The Parent Company was granted fiscal incentives which include Income Tax Holiday (ITH) period five (5) years subject to the provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 11534, or the Corporate Recovery and Tax Incentives for Enterprise (CREATE) Act, and the terms and conditions of the Registration Agreement. The ITH period shall be reckoned from September 17, 2024, as the project's actual date of start of commercial operations.

The Parent Company's provision for income tax in 2024 and 2023 consists of the following:

	2024	2023
Current:		
RCIT	**₱2,677,172**	₱2,164,450
Deferred:		
Deferred tax expense	**(48,082)**	(15,522)
	₱2,629,090	₱2,148,928

A reconciliation of provision for income tax computed at the applicable statutory tax rates of 25% in 2024 and in 2023 to provision for income tax as shown in the statements of comprehensive income follows:

	2024	2023
Provision for income tax at statutory tax rate	**₱1,333,610**	₱2,823,622
Income tax effects of:		
Movement in unrecognized DTA	**2,347,234**	62,375
Nontaxable dividend income	**(1,031,338)**	(758,582)
Interest income already subjected to final tax	**(104,174)**	(79,100)
Nondeductible expenses	**31,519**	77,324
Nondeductible interest expense	**25,572**	19,384
Nontaxable income	**(3,351)**	–
Others	**30,018**	3,905
	₱2,629,090	₱2,148,928

Deferred income tax
The components of the Parent Company's net deferred tax assets (liabilities) are as follows:

	2024	2023
Deferred tax assets:		
Lease liabilities	**₱577,064**	₱513,905
Pension liability	**268,103**	215,914
Allowance for impairment of property, plant and equipment	**259,153**	337,806
Accrued expenses	**157,813**	98,425
Refund liabilities	**94,696**	101,669
Unrealized foreign exchange loss	**16,503**	649
Unamortized past service cost	**2,926**	3,583
Allowance for ECL	**1,416**	730
Allowance for inventory obsolescence	**–**	15,027
Contract liability	**–**	14,634
Others	**72,151**	27,063
	1,449,825	1,329,405
Deferred tax liabilities:		
Right-of-use asset	**(527,755)**	(475,869)
Unrealized foreign exchange gain	**(21,147)**	(24,005)
Unrealized mark to market – UITF gain	**(9,841)**	(7,004)
Recognized deferred tax assets – net	**₱891,082**	₱822,527

The following deferred tax assets were not recognized in the Parent Company financial statements since management believes that it will not be utilized in the future:

	2024	2023
Allowance for impairment loss on investments	**₱7,221,203**	₱4,868,002
Allowance for inventory obsolescence	**7,688**	13,656
Allowance for impairment loss on trademark	**1,783**	1,783
Allowance for impairment loss on property, plant and equipment	**1**	–
Advances from customers	**28,817**	28,817
	₱7,259,492	₱4,912,258

22. **Leases**

The Parent Company leases various real estate properties for its plant sites, warehouses, and office spaces. The most significant of these lease agreements is the lease agreement with Monde Land, Inc., a related party, for its plant sites in Sta. Rosa Laguna, Cebu, and Davao. The agreements are for periods of 25 to 50 years, renewable for another 25 years. Under the terms of the leases, in the event that the lessor decides to sell the leased property, the Parent Company shall have the first option to buy the said property subject to the constitutional limitations on the ownership of land.

On June 24, 2020, the Parent Company entered into agreements with Science Park of the Philippines for the lease of certain parcels of land in San Fernando, Malvar, Batangas to be used for various operational activities. The lease agreements are valid for 50 years up to 2095 and are automatically renewable for another 25 years.

On November 15, 2024, the Parent Company entered into an agreement with Atlantic Grains Inc. (AGI) for the lease of certain parcels of land in Calaca City, Batangas to be used for various operational activities. The lease agreement is valid for 50 years up to 2074 subject to automatic renewal for another 25 years.

The Parent Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Parent Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

The undiscounted potential future rental payments relating to periods following the exercise date of extension options not within the control of lessee that are not included in the lease term amounted to ₱94.5 million as at December 31, 2024 and 2023. The extension options not included are exercisable in 2030.

The following are the amounts recognized in the Parent Company statement of comprehensive income:

	2024	2023
Interest expense on lease liabilities (Note 18)	**₱95,096**	₱93,842
Depreciation expense of right-of-use assets included in property, plant and equipment (Note 11)	**51,238**	68,786
Expenses relating to leases of low-value assets (Note 17)	**32,466**	3,656
	₱178,800	₱166,284

The movements in the Parent Company's lease liabilities are as follows:

	2024	2023
Balance at beginning of year	**₱1,485,777**	₱1,568,832
Additions	**259,999**	–
Payment of principal portion of lease liabilities	**(188,422)**	(176,897)
Accretion of interest (Note 18)	**95,096**	93,842
	₱1,652,450	₱1,485,777

	2024	2023
Current	**₱11,735**	₱10,347
Noncurrent	**1,640,715**	1,475,430
	₱1,652,450	₱1,485,777

The maturity analysis of lease liabilities is disclosed in Note 24.

23. **Commitments**

Sandpiper Spices and Condiments Corporation (SSCC)
On July 25, 2014, and August 4, 2014, the Parent Company and SSCC entered into a Distribution, and Marketing and Sales Development Agreement wherein SSCC appoints the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years (until July 25, 2034). Under the Agreement, the Parent Company shall pay SSCC a non-reimbursable and non-recoupable sum of ₱727.6 million payable in 5 equal annual installments starting on August 4, 2014. The amount is recognized as Distribution Rights and subject to amortization for a period of 20 years up to 2034. The related payable was fully settled in 2018 (see Note 12).

On August 4, 2014, the Parent Company and SSCC entered into a Loan Agreement wherein the Parent Company agreed to extend a loan to SSCC in the principal amount of ₱500.0 million with interest rate of 2% per annum. The loan is for a period of 10 years which was fully settled on August 4, 2024.

As stipulated in Section 6 of the Loan Agreement, the Parent Company has the right to set-off and apply any credit balance of or any amount payable by the Group to SSCC. As a result, the Parent Company presented its receivable from SSCC net of its outstanding payable in its Parent Company's statement of financial position in accordance with PAS 32, *Financial Instrument: Presentation.* As at December 31, 2024 and 2023, the Parent Company's net receivable from SSCC amounted to nil and ₱500.0 million, respectively (see Note 8).

Interest income from advances to SSCC amounted to ₱5.9 million in 2024 and ₱10.0 million in 2023 (see Note 8).

Guarantees
Wide Faith Foods Co. Ltd. On November 17, 2015, the Parent Company entered into a Guarantee Agreement with The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch, to guarantee the ₱141.4 million ($3.0 million) loan of Wide Faith Foods Co. Ltd.

Marlow Foods Ltd. On March 24, 2022, the Parent Company (Guarantor) entered into a Guarantee Agreement with Citicorp International Limited, as agent for and on behalf of certain financial institutions (Finance Parties), to guarantee the ₱7,059.4 million (£103.0 million) loan of Parent Company's wholly owned, UK-based indirect subsidiary Marlow Foods Ltd. (Borrower). The Guarantor undertakes with each Finance Party that whenever the Borrower does not pay any amount when due or in connection with any finance document, the Guarantor shall promptly on demand the amounts as if it was the principal obligor.

24. **Financial Risk Management Objectives and Policies**

The Parent Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables, noncurrent receivables and advances to employees. The primary purpose of these financial instruments is to fund the Parent Company's operations. The Parent Company has various other financial instruments such as accounts payable and other current liabilities, acceptance and trust receipts payable, and loan payable, which arise directly from its operations.

The main risks arising from the Parent Company's financial instruments are market risk, credit risk, and liquidity risk. The BOD reviews and agrees on the policies for managing each of these risks, and they are summarized below:

Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables, accounts payable and other current liabilities, and loans payable.

The sensitivity analyses in the following sections relate to the position as at December 31, 2024 and 2023. The sensitivity of the relevant statement of other comprehensive income items is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at December 31, 2024 and 2023.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Parent Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Parent Company's operating activities (when revenue or expense is denominated in foreign currency).

The Parent Company's significant foreign currency-denominated financial assets and liabilities are as follows (impact of other currencies is not material):

	2024				
	Original Currency				
	USD	**EUR**	**JPY**	**SGD**	**Peso Equivalent**
Financial Assets					
Cash and cash equivalents	**$51,050**	**€–**	**¥–**	**$–**	**₱2,959,828**
Trade and other receivables	**3,790**	**–**	**–**	**–**	**219,740**
Financial assets at FVTPL	**15,158**	**–**	**–**	**–**	**1,248,839**
Notes receivable	**6,500**	**–**	**–**	**–**	**376,864**
	76,498	**–**	**–**	**–**	**4,805,271**
Financial Liabilities					
Accounts payable and other current liabilities	**26,254**	**638**	**798**	**867**	**1,597,997**
Net Financial Assets (Liabilities)	**$50,244**	**(€638)**	**(¥798)**	**($867)**	**₱3,207,274**

	2023				
	Original Currency				
	USD	EUR	JPY	SGD	Peso Equivalent
Financial Assets					
Cash and cash equivalents	$48,017	€–	¥–	$–	₱2,659,422
Trade and other receivables	3,733	–	–	–	206,752
Financial assets at FVTPL	30,174	–	–	–	1,671,187
Notes receivable	6,500	–	–	–	360,003
	88,424	–	–	–	4,897,364
Financial Liabilities					
Accounts payable and other current liabilities	13,468	379	65,100	68	797,584
Net Financial Assets (Liabilities)	$74,956	(€379)	(¥65,100)	($68)	₱4,099,780

In translating the foreign-currency-denominated financial instruments into Philippine peso amounts, the exchange rates used are as follows:

Year	USD ($)	JPY (¥)	EUR (€)	SGD ($)
2024	**₱57.98**	**₱0.37**	**₱60.39**	**₱42.67**
2023	₱55.39	₱0.40	₱61.31	₱42.00

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso exchange rate for the next period, with all other variables held constant, of the Parent Company's income before tax. The reasonably possible change in the exchange rate was based on forecasted exchange rate changes within the next two months after the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2024		2023	
	Movement in Foreign Exchange Rate Increase (Decrease)	**Effect on Income Before Tax**	Movement in Foreign Exchange Rate Increase (Decrease)	Effect on Income Before Tax
U.S. dollar	**4.68%**	**136,333**	(0.66%)	(27,399)
	(4.68%)	**(136,333)**	0.66%	27,399
SGD	**1.59%**	**(588)**	1.02%	(29)
	(1.59%)	**588**	(1.02%)	29
JPY	**(6.04%)**	**18**	(5.91%)	1,511
	6.04%	**(18)**	5.91%	(1,511)
EUR	**(1.51%)**	**582**	2.95%	(685)
	1.51%	**(582)**	(2.95%)	685

The Company's exposure to foreign currency changes for all other currencies is not material.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Parent Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. Since the Parent Company trades only with recognized third parties, there is no requirement for collateral.

Maximum exposure to credit risk. The table below shows the maximum exposure to credit risk for the Parent Company's financial assets, without taking into account any collateral and other credit enhancements:

	2024	2023
Financial assets at amortized cost		
Cash and cash equivalents*	**₱9,565,813**	₱12,344,893
Trade and other receivables	**5,946,117**	4,816,580
Notes receivable – current	**376,864**	500,000
Advances to employees**	**99,924**	90,591
Noncurrent receivables	–	360,003
Financial assets at FVTPL	**1,304,523**	1,674,328
Total credit risk exposure	**₱17,293,241**	₱19,786,395

**Excluding cash on hand amounting to ₱640 in 2024 and ₱690 in 2023.*
***Recorded under "Other noncurrent assets" account.*
**** Including the discount recognized as ROU*

Aging analysis. The aging analysis of financial assets follows:

	2024						
			Days Past Due				
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Financial assets at amortized cost							
Cash and cash equivalents*	**₱9,565,813**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱9,565,813**
Trade and other receivables	**5,464,768**	**469,035**	**2,174**	**7,020**	**3,118**	**5,666**	**5,951,783**
Notes receivable - current	**376,864**	**–**	**–**	**–**	**–**	**–**	**376,864**
Advances to employees**	**99,924**	–	–	–	–	–	**99,924**
	15,507,369	**469,035**	**2,174**	**7,020**	**3,118**	**5,666**	**15,994,384**
Financial assets at FVTPL	**1,304,523**	–	–	–	–	–	**1,304,523**
	₱16,811,892	**₱469,035**	**₱2,174**	**₱7,020**	**₱3,118**	**₱5,666**	**₱17,298,907**

** Excluding cash on hand amounting to ₱640.*
*** Recorded under "Other noncurrent assets" account.*

	2023						
			Days Past Due				
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Financial assets at amortized cost							
Cash and cash equivalents*	₱12,344,893	₱–	₱–	₱–	₱–	₱–	₱12,344,893
Trade and other receivables	4,536,976	270,732	–	2,971	5,901	2,922	4,819,502
Notes receivable - current	500,000	–	–	–	–	–	500,000
Noncurrent receivables	360,003	–	–	–	–	115,266	475,269
Advances to employees**	90,591	–	–	–	–	–	90,591
	17,832,463	270,732	–	2,971	5,901	118,188	18,230,255
Financial assets at FVTPL	1,674,328	–	–	–	–	–	1,674,328
	₱19,506,791	₱270,732	₱–	₱2,971	₱5,901	₱118,188	₱19,904,583

** Excluding cash on hand amounting to ₱690.*
*** Recorded under "Other noncurrent assets" account.*

Credit risk under general and simplified approach

	2024				
	General Approach				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Financial assets at amortized cost					
Cash and cash equivalents*	**₱9,565,813**	**₱–**	**₱–**	**₱–**	**₱9,565,813**
Trade and other receivables	**59,935**	**–**	**–**	**5,891,846**	**5,951,783**
Notes receivable – current	**376,864**	**–**	**–**	**–**	**376,864**
Advances to employees**	**99,924**	**–**	**–**	**–**	**99,924**
	10,102,536	**–**	**–**	**5,891,846**	**15,994,384**
Financial assets at FVTPL	**1,304,523**	**–**	**–**	**–**	**1,304,523**
	₱11,407,059	**₱–**	**₱**	**₱5,891,846**	**₱17,298,907**

** Excluding cash on hand amounting to ₱640.*
*** Recorded under "Other noncurrent assets" account.*

	2023				
	General Approach				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Financial assets at amortized cost					
Cash and cash equivalents*	₱12,344,893	₱–	₱–	₱–	₱12,344,893
Trade and other receivables	78,923	–	–	4,740,579	4,819,502
Notes receivable – current	500,000	–	–	–	500,000
Noncurrent receivables	360,003	–	115,266	–	475,269
Advances to employees**	90,591	–	–	–	90,591
	13,374,410	–	115,266	4,740,579	18,230,255
Financial assets at FVTPL	1,674,328	–	–	–	1,674,328
	₱15,048,738	₱–	₱115,266	₱4,740,579	₱19,904,583

** Excluding cash on hand amounting to ₱690.*
*** Recorded under "Other noncurrent assets" account.*

Simplified Approach. Set out below is the information about the credit risk exposure on the Parent Company's trade receivables using simplified approach (provision matrix):

	2024							
			Days Past Due					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**91-120 days**	**121-365 days**	**>365 days**	**Total**
ECL rate	**0.04%**	**0.29%**	**1.53%**	**3.62%**	**6.28%**	**9.40%**	**100%**	
Estimated total gross carrying amount at default	**₱5,419,925**	**₱470,022**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,899**	**₱5,891,846**
ECL	**₱2,395**	**₱1,372**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,899**	**₱5,666**

	2023							
			Days Past Due					
	Current	<30 days	30-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
ECL rate	0.05%	0.29%	1.40%	3.24%	5.32%	7.68%	100.00%	
Estimated total gross carrying amount at default	₱4,468,837	₱271,742	₱–	₱–	₱–	₱–	₱–	₱4,740,579
ECL	₱2,133	₱789	₱–	₱–	₱–	₱–	₱–	₱2,922

Liquidity Risk

Liquidity risk is the risk the Parent Company will be unable to meet its payment obligations when they fall due. The Parent Company monitors and maintains a level of cash deemed adequate by management to finance the Parent Company's operations, ensure continuity of funding, and to mitigate the effects of fluctuations in cash flows.

The Parent Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease contracts. The Parent Company's policy is that not more than 50% of borrowings should mature in the next 12-month period. Approximately 1% of the Parent Company's debt will mature in less than one year at December 31, 2024 (1% in 2023) based on the carrying value of debt reflected in the financial statements. The Parent Company assessed the concentration risk with respect to refinancing its debt and concluded it to be low. The Parent Company has access to a sufficient variety of source of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive concentration risk. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by change in economic, political and other conditions. Concentrations indicate the relative sensitivity of the Parent Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Parent Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio of distributors and distribution channels. Identified concentration of credit risks are controlled and managed accordingly.

Maturity profile. The table below summarizes the maturity profile of the Parent Company's financial assets and liabilities based on undiscounted payments are as follows:

	2024					
	On Demand	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**More than 5 Years**	**Total**
Financial liabilities carried at amortized cost						
Accounts payable and other current liabilities*	**₱2,730,732**	**₱6,936,225**	**₱7,696**	**₱–**	**₱–**	**₱9,674,653**
Acceptance and trust receipts payable	**–**	**–**	**1,608,501**	**–**	**–**	**1,608,501**
Lease liabilities	**–**	**31,169**	**69,871**	**447,838**	**5,804,075**	**6,352,953**
	₱2,730,732	**₱6,967,394**	**₱1,686,068**	**₱447,838**	**₱5,804,075**	**₱17,636,107**

** Excluding statutory payables and subscription payable under "Nontrade payables" account.*

	2023					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Financial liabilities carried at amortized cost						
Accounts payable and other current liabilities*	₱6,511,994	₱1,248	₱1,969,181	₱–	₱–	₱8,482,423
Acceptance and trust receipts payable	–	–	1,607,336	–	–	1,607,336
Lease liabilities	–	28,653	62,364	395,692	5,209,414	5,696,123
	₱6,511,994	₱29,901	₱3,638,881	₱395,692	₱5,209,414	₱15,785,882

** Excluding statutory payables under "Nontrade payables" account.*

Changes in Liabilities Arising from Financing Activities

	January 1, 2024	**Cash Flows**	**Foreign Exchange Movement**	**Fair value changes**	**Others**	**December 31, 2024**
Accrued interest payable	**₱–**	**(₱130,624)**	**₱–**	**₱–**	**₱130,624**	**₱–**
Derivative liability	**106,406**	**64,401**	**–**	**(64,401)**	**182,197**	**288,603**
Lease liabilities	**1,485,777**	**(188,422)**	**–**	**–**	**355,095**	**1,652,450**
Dividends payable	**2,156,233**	**(6,828,073)**	**–**	**–**	**4,671,840**	**–**
Total liabilities from financing activities	**₱3,748,416**	**(₱7,082,718)**	**₱–**	**(₱64,401)**	**₱5,339,756**	**₱1,941,053**

	January 1, 2023	Cash Flows	Foreign Exchange Movement	Fair value changes	Others	December 31, 2023
Accrued interest payable	₱–	₱ (113,791)	₱–	₱–	₱113,791	₱–
Derivative liability	–	20,833	–	(20,833)	106,406	106,406
Lease liabilities	1,568,832	(176,897)	–	–	93,842	1,485,777
Dividends payable	–	–	–	–	2,156,233	2,156,233
Total liabilities from financing activities	₱1,568,832	(₱269,855)	₱–	(₱20,833)	₱2,470,272	₱3,748,416

Derivative Financial Instruments

The Parent Company engages in derivative transactions such as structured deposit, structured note, binary note, dual currency investment, cross currency swaps (CCS) and European Knockout Option (EKO) to manage its foreign currency and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of derivatives that are not designated as accounting hedges (structured cake deposit, structured note, binary note, and dual currency investment) are recognized in the consolidated statements of income.

Structured Deposit

The Parent Company invested in a principal protected structure with a potential enhanced return greater than the prevailing money market rate. The structured deposit will be redeemed at 100% of the principal amount, together with an interest amount based on the guaranteed rate plus the relevant Enhanced Rate depending on the applicable scenario at maturity date. Structured deposit is nil as at December 31, 2024.

Dual Currency Investment

The Parent Company invested in a non-principal protected investment product with a potential higher return than conventional deposits. The investment amount will be received in either the alternative or investment currency together with interest amount in the investment currency depending on the applicable scenario at maturity date.

Pertinent details of the dual currency investment are as follows:

Notional amount	Effective Date	Maturity Date	Conversion Rate	Interest Rate of Investment Currency
$8,300	10/16/24	03/18/25	1.285	7.77% p.a.
$5,058	12/11/24	03/12/25	1.285	7.77% p.a.

Structured Note
The Parent Company invested in a structured note that offers enhanced return when the underlying asset trades at or is above its initial price at maturity while offering a pre-determined minimum level of capital return at maturity. Structured note is nil as at December 31, 2024.

Binary Note
The Parent Company invested in a binary note with the view of getting an interest amount linked to USD PHP fixing rate and 100% of the principal at maturity. Binary note is nil as at December 31, 2024.

The Parent Company recognized market valuation gain of ₱36.8 million and ₱71.6 million from fair value changes of structured deposit and dual currency investment in 2024 and 2023, respectively, under the "Market valuation gain on financial instruments at fair value through profit or loss (FVTPL)" account in the consolidated statement of comprehensive income.

Cross Currency Swap Contract
On March 4, 2022, the Group entered into a non-deliverable CCS Agreement with a notional amount of ₱5,839.5 million (£85.0 million). Under the CCS agreement, the Group will receive Philippine Peso interest at 9% p.a. and will pay fixed Pound Sterling interest at 6% p.a. The Group will also pay the notional Pound Sterling amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS, which will be designated as a hedge of a portion of the net investment in MNSPL, is used to hedge the Parent Company's exposure to the GBP foreign exchange risk on its investment in MNSPL.

Pertinent details of the cross-currency swap are as follows:

Notional amount	Trade Date	Effective Date	Maturity Date	Swap rate	Fixed rate (Pay leg)	Fixed rate (Receive leg)
£85,000	3/3/22	3/7/22	3/7/32	₱68.70	6.0%	9.0%

On September 28, 2022, the BOD approved to fully unwind the CCS agreement to take advantage of the weakening of Pound Sterling.

On January 31, 2023, the Parent Company entered into a non-deliverable CCS Agreement with a notional amount of ₱1,891.4 million (THB 1,151.5 million). Under the CCS agreement, the Company will receive Philippine Peso interest at 11.50% p.a. and will pay fixed Thailand Baht interest at 9% p.a. The Company will also pay the notional Thailand Baht amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS, which will be designated as a hedge of a portion of the net investment in MIL and MNTH, is used to hedge the Parent Company's exposure to the THB foreign exchange risk on its investment in MIL and MNTH. The Parent Company recognized derivative loss of ₱117.8 million in 2024 and ₱85.6 million in 2023 from the maturity of CCS.

Embedded Derivatives
The total derivative gain (loss) presented in the Parent Company statement of comprehensive income consists of derivative gain from CCS, EKO, equity conversion and redemption options, and swaps. The derivative loss from swaps entered and settled during the same year, amounted to ₱0.48 million in 2024 and ₱5.4 million in 2023.

Capital Management
For the purpose of the Parent's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Parent Company's capital management is to maximize

the shareholder value. The Parent Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024, and 2023. The Parent Company was able to raise funds through an IPO last June 1, 2021.

The Parent Company monitors capital based on the debt-to-equity ratio and makes adjustments to it in light of changes in economic conditions and its financial position. This ratio is calculated as total debt divided by total equity. Debt comprises all liabilities of the Parent Company. Equity comprises all components of equity.

The Parent Company's debt-to-equity ratios are as follows:

	2024	2023
Total debt	**₱15,809,470**	₱16,606,890
Equity	**52,690,592**	54,505,228
Debt-to-Equity Ratio	**0.30:1.00**	0.30:1.00

The Parent Company is obligated to perform certain covenants with respect to maintaining specified debt-to-equity, gross leverage and minimum debt service cover ratios, as set in the agreements with creditors. As at December 31, 2024, the Parent Company is in compliance with these covenants. The related loan was fully settled upon maturity in December 2022.

Fair Value of Financial Instruments

Cash and cash equivalents, trade and other receivables, accounts payable and other current liabilities, and acceptance and trust receipts payable. The carrying value of these financial assets and liabilities approximate their fair values as at December 31, 2024, and 2023 due to the short-term nature of these financial instruments.

Noncurrent receivables and loans payable. As at December 31, 2024 and 2023, the fair value of noncurrent receivables and loans payable with variable interest rates approximates the carrying amount due to frequent repricing of interest. Fair value of loans with fixed interest rate are determined using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Financial assets at FVTPL. The financial assets at FVTPL account consists of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. As at December 31, 2024 and 2023, the fair values of these financial assets are based on their published net asset value per share.

As at December 31, the following table presents the level of hierarchy of the Parent Company's financial instruments as follows:

	2024			2023		
	Quoted prices in active market (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial instruments measured at fair value						
Financial assets at FVTPL	**₱–**	**₱–**	**₱1,304,523**	₱–	₱–	₱1,674,328

Financial Assets at FVOCI. The fair value of financial asset at FVOCI from Wide Faith Investment Holdings Ltd. is derived from the cash flow projection of the investee (income approach), which is nil as at December 31, 2024 and 2023.

The fair value of Figaro Coffee Group, Inc. is based on quoted prices. The fair value of Terramino, Inc. approximates its last transaction price.

25. Supplemental Disclosure to Cash Flow Statements

The Parent Company's material non-cash activities are as follows:

	2024	2023
Subscription payable	**(₱250,487)**	(₱284,475)
Unpaid capital expenditures	**–**	(₱481,058)

26. Segment Information

For management purposes, the Parent Company is organized into business units based on its products and has 2 reportable segments, as follows:

- Asia-Pacific Branded Food & Beverage (APAC BFB) manufactures and distributes a diverse mix of biscuits, bakery products, beverages, instant noodles and pasta.
- Meat Alternative manufacturers and distributes a variety of meat alternative brands and products to the retail trade and food service customers in the UK, US, Europe and Asia-Pacific.

No operating segments have been aggregated to form the above reportable operating segment.

The Chief Executive Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the parent company financial statements.

Financial information about the business segments follows:

	2024			
	APAC BFB	**Meat Alternative**	**Reconciliation**	**Parent Company Financial Statements**
Net sales - third parties	**₱69,528,484**	**₱13,605,426**	**(₱17,333,200)**	**₱65,800,710**
Costs and expenses	**(53,806,417)**	**(13,960,136)**	**(5,506,626)**	**(73,273,179)**
Depreciation and amortization	**(1,983,524)**	**(704,397)**	**1,421,183**	**(1,266,738)**
Finance income	**524,846**	**72,124**	**(142,366)**	**454,604**
Finance expense	**64,403**	**1,466**	**(183,665)**	**(117,796)**
Derivative gain (loss)	**(385,222)**	**(371,070)**	**530,572**	**(225,720)**
Gain (Loss) on change in FV of guaranty asset	**–**	**(2,648,829)**	**2,648,829**	**–**
Foreign exchange gain (loss) – net	**33,727**	**(8,723)**	**89,029**	**114,033**
Impairment loss	**7,375,530**	**(6,824,544)**	**8,812,318**	**9,363,304**
Share in profit (loss) of associates and joint venture	**55,504**	**–**	**(55,504)**	**–**
Other income (expense)	**268,979**	**20,742**	**4,195,501**	**4,485,222**
Income before income tax	**21,676,310**	**(10,817,941)**	**(5,523,929)**	**5,334,440**
Provision for (benefit from) income tax	**2,764,440**	**(3,984,992)**	**3,849,642**	**2,629,090**
Net income	**₱18,911,870**	**(6,832,949)**	**(9,373,571)**	**2,705,350**
Other information				
Total assets	**₱72,749,449**	**₱13,785,796**	**(₱18,035,183)**	**₱68,500,062**
Total liabilities	**₱16,971,494**	**₱5,646,906**	**(₱6,808,930)**	**₱15,809,470**
Investment in subsidiaries, associate and joint venture	**₱1,133,847**	**₱–**	**₱22,719,545**	**₱23,853,392**
Capital expenditures	**₱4,120,566**	**₱702,577**	**(₱1,951,010)**	**₱2,872,133**

	2023			
	APAC BFB	Meat Alternative	Reconciliation	Parent Company Financial Statements
Net sales - third parties	₱65,941,954	₱14,237,274	(₱17,376,520)	₱62,802,708
Costs and expenses	(52,705,540)	(14,786,759)	13,487,954	(54,004,345)
Depreciation and amortization	(1,969,099)	(802,867)	1,550,381	(1,221,585)
Finance income	963,783	33,365	(625,314)	371,834
Derivative gain (loss)	20,833	–	(106,406)	(85,573)
Finance expense	(267,460)	(982,933)	1,042,760	(207,633)
Gain (Loss) on change in FV of guaranty asset	–	1,301,750	(1,301,750)	–
Foreign exchange gain – net	60,563	19,843	5,890	86,296
Impairment loss	11,642,182	(13,360,310)	1,874,080	155,952
Share in profit (loss) of associates and joint venture	35,552	–	(35,552)	–
Other income (expense)	294,086	30,179	3,072,570	3,396,835
Income before income tax	24,016,854	(14,310,458)	1,588,093	11,294,489
Provision for (benefit from) income tax	2,764,440	(3,984,992)	3,369,480	2,148,928
Net income	₱21,252,414	(₱10,325,466)	(₱1,781,387)	₱9,145,561
Other information				
Total assets	₱76,183,132	₱21,237,872	(₱26,308,886)	₱71,112,118
Total liabilities	₱17,862,388	₱7,763,027	(₱9,018,525)	₱16,606,890
Investment in subsidiaries, associate and joint venture	₱1,125,054	₱–	₱28,536,844	₱29,661,898
Capital expenditures	₱2,610,336	₱1,030,934	(₱1,078,560)	₱2,562,710

27. Supplementary Information Required under RR 15-2010

The Parent Company reported and/or paid the following types of taxes in 2024:

a. VAT

Output VAT. Sales and output VAT declared in the Parent Company's VAT returns follow:

	Net Sales/ Receipts	Output VAT
Taxable sales and others:		
Local sales, net of sales returns	₱68,964,363	₱8,275,723
Scrap sales	150,029	18,004
Miscellaneous income	191,183	22,942
	69,305,575	8,316,669
Zero-rated sales	513,557	–
Exempt sales	642,049	–
	₱70,461,181	₱–

Zero-rated sales of goods consist of actual export sales and sales to entities under Subic Bay Metropolitan Authority (SBMA) whose exemptions are provided under special laws or international agreements to which the Philippines is a signatory.

VAT-exempt sales pertain to sales of swine and poultry feeds whose exemptions are provided under Section 109(1)(B) of the National Internal Revenue Code, as amended.

Input VAT. The details of the Parent Company's input VAT follow:

	Purchases	Input VAT
Balance at beginning of year		₱–
Input tax carryover from previous period subject to amortization		148,755
Current year's purchases/payments for:		
Importation of goods other than capital goods	₱13,746,839	1,659,900
Domestic purchases of goods other than capital goods	26,503,281	3,180,394
Domestic purchase of services	13,376,576	1,605,189
Capital goods subject to amortization		
Domestic purchase of capital goods	1,076,552	129,186
Importation of capital goods	1,120,217	136,337
Services rendered by nonresidents	101,328	12,159
Purchases not qualified for input tax	1,888,772	–
Total	57,813,565	6,871,920
Input VAT on the purchase of capital goods deferred for the next succeeding period:		
Domestic purchase of capital goods		(35,441)
Importation of capital goods		(43,012)
Application against output VAT		(6,793,467)
Unapplied tax credits		–
Balance at end of year		₱–

b. Information on the Parent Company's importations

	Import of Goods	Import of Capital Goods
Cost of importation, at net	₱13,735,680	₱1,108,138
Custom duties	8,399	11,960
Import processing fee	2,760	119
	₱13,746,839	₱1,120,217

c. Taxes and licenses

Municipal licenses/business permit	₱164,635
Real property taxes	97,866
Documentary stamp taxes	16,571
Others	4,035
	₱283,107

d. Documentary stamp taxes (DST)

	Amount	DST thereon
Deeds of sale	₱750,000	₱11,250
Leases and other hiring agreement	179,946	360
Original issue of shares of stocks	17,500	175
Guarantee fee	2,427	182
	949,873	11,967
DST remitted by other party, charged to MNC	–	4,604
	₱949,873	₱16,571

e. Withholding taxes

Final withholding taxes	₱909,490
Expanded withholding taxes	630,610
Taxes on compensation and benefits	502,355
Fringe benefits	98,730
	₱2,141,185

f. Tax assessment and cases

The Parent Company has no ongoing audit with the Bureau of Internal Revenue as at December 31, 2024.

SGV
Building a better working world

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sgv.ph

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Monde Nissin Corporation
Felix Reyes St., Barangay Balibago
City of Santa Rosa, Laguna

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of Monde Nissin Corporation (the Company) as at and for the years ended December 31, 2024 and 2023 and have issued our report thereon dated April 10, 2025. Our audits were made for the purpose of forming an opinion on the parent company financial statements taken as a whole. The Schedule of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic parent company financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, fairly states, in all material respects, the financial information required to be set forth therein in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10465323, January 2, 2025, Makati City

April 10, 2025

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2024
(Amounts in Thousands)

Monde Nissin Corporation
Felix Reyes St. Brgy. Balibago, City of Santa Rosa, Laguna, Philippines

Unappropriated Retained Earnings, beginning of reporting period		**₱6,204,629**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Equity restructuring	–	
Reversal of Retained Earnings Appropriations	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declared during the reporting period	4,671,839	**4,671,839**
Unappropriated Retained Earnings, as adjusted		**1,532,790**
Add: Net Income for the current year		**2,705,351**
Less: Category C.1: Unrealized income recognized in the profit or loss during the period (net of tax)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	22,296	
Unrealized fair value adjustment (mark-to-market) gains of financial instruments at FVTPL	8,511	**30,807**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	26,848	**26,848**
Adjusted Net income/Loss		**4,234,182**
Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	50,639	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction (right of use of asset and lease liability)	11,274	**61,912**
Total Retained Earnings, end of the reporting period available for dividend		**₱4,172,270**

ANNEX C

2024 Sustainability Report

Monde Nissin

Making Better Possible

2024 Sustainability Report

About the Cover

GRI 2-1

Monde Nissin Corporation (Monde Nissin or the Company) marked its 45th anniversary in 2024. Monde Nissin celebrates the collective efforts of everyone who has been part of our journey in *Making Better Possible*®. We honor the contributions of our employees, management, their families, and our key business partners, all coming together for "Kainang Pamilya Mahalaga (KPM) Day." KPM Day, observed in the Philippines on the fourth Monday of September, is the brainchild and an advocacy of Monde Nissin to encourage families to gather for a meal and cherish meaningful time together. Inspired by the vibrant spirit of the Filipino fiesta, the cover illustration highlights the importance of sharing meals in Filipino culture, emphasizing its role in strengthening relationships and fostering deeper connections. It also showcases fresh, whole foods alongside our staple fortified packaged options.

The smooth, upward-directed arrows symbolize our dynamic pursuit of Monde Nissin's North Star Targets, reflecting our commitment to continuous improvement and our recognition of our role within a larger ecosystem that includes our communities and the environment. This representation reinforces that our success is powered by collaboration, driving a sustainable and inclusive future that will inspire positive change for generations to come.

Table of Contents

About the Report

GRI 2-1, 2-2, 2-3, 3-1

This year's sustainability report (SR) highlights Monde Nissin's continuous advancement in *Making Better Possible*® and our progress toward achieving our North Star Targets. Through this SR, we showcase our economic, environmental, social, and governance impacts and initiatives.

Frameworks Used: This report is based on and aligned with internationally recognized sustainability reporting frameworks, such as the Global Reporting Initiative (GRI) Standards, Sustainable Accounting Standards Board (SASB) Standards, and the Philippine Securities and Exchange Commission's (SEC's) Sustainability Reporting Guidelines for Publicly Listed Companies (SEC Guidelines). Monde Nissin also aligns our priority targets with the United Nations Sustainable Development Goals (UN SDGs).

Scope and Boundary: This report covers the operations of Monde Nissin Corporation for the period January 1 to December 31, 2024. Information in the report, such as business, financial, and sustainability-related matters, has been specified to cover the following:

- Business and financial information found in the Chief Executive Officer's (CEO) Letter to Stakeholders and the General Disclosures Annex portion of the report cover Monde Nissin and its subsidiaries (the Group). The information on activity metrics covers the Company, i.e., Monde Nissin.
- Economic information covers Monde Nissin.
- Environmental information covers Monde Nissin's plant sites in Santa Rosa (Laguna), Mandaue (Cebu), Porac (Pampanga), Malvar (Batangas), and Davao (Davao) all in the Philippines.
- Social information and the information on occupational health and safety (OHS) cover Monde Nissin.

Materiality: Material topics were updated through stakeholder engagement, which was conducted during last year's reporting period, and materiality assessment, which follows a regular cadence. More information on our material topics and materiality processes can be found on pages 20-21.

Report Disclaimer

The contents of this communication should not be construed as investment advice or as a recommendation or solicitation for any investment by or in Monde Nissin Corporation. Any forward-looking statements that may be contained herein are based on current expectations and assumptions regarding anticipated developments and other factors affecting Monde Nissin Corporation and its subsidiaries. These are not historical facts, nor are these guarantees of future performance. Monde Nissin Corporation and its subsidiaries disclaim any liability whatsoever for any loss arising from any reliance, in full or in part, on the contents of this SR.

Executive Messages

GRI 2-22

The CEO's Letter to Stakeholders

To our valued stakeholders,

This year marks the 45th year of Monde Nissin and as I look back on our early days as a startup biscuit factory in Santa Rosa, Laguna, and reflect on where we are today, I am amazed and humbled by how far we have come.

I am also filled with gratitude for all the people who have helped Monde Nissin along the way. This incredible journey would not have been possible without the unwavering dedication of our employees, the steadfast collaborations with our suppliers, our loyal customers, the communities where we operate, and of course, our consumers, whose choice to bring Monde Nissin products into their homes has been the cornerstone of our success.

For that, we are profoundly thankful.

It is this acknowledgement of the interconnectedness of Monde Nissin with our various stakeholders that drive our Aspiration, as well as our desire to improve the wellbeing of people and the planet and to create sustainable solutions for food security.

In 2024, we continued our efforts in *Making Better Possible*®, striving to innovate and improve all aspects of our business. We achieved record revenues of Php 83.1 billion (3.7% growth) and a 28.6% increase in core Net Profit to Php 9.8 billion. This performance provides the foundation for our continued investments for our stakeholders. This past year we were able to deepen our commitment to our stakeholders, making significant progress towards our goals.

"Through efforts like these and a consistent stakeholder-centric approach, we hope to deliver on a more inclusive and sustainable growth for another 45 years."

For our consumers, this means providing high-quality, nutritious, and accessible products that meet their evolving needs and preferences. In 2024, we continued our capacity expansion with the opening of our bakery plant in Davao. This plant is also our first to receive incentives from the Philippine Board of Investments and aims to improve food security in the region. We also introduced two new product categories, Monde Nuvi ready-to-drink chocolate milk and GoodNom packaged coconut milk.

For our employees, it means fostering a diverse and inclusive workplace where everyone feels valued and has the opportunity to grow. We were voted one of the Best Employers in the Inquirer x Statista survey for 2024, which reflects our commitment to creating a positive and rewarding work environment.

For our local communities, it means creating livelihood opportunities and contributing to economic development. Our Community Distribution Network (CDN) has expanded, providing income opportunities for over 1,400 Independent Brand Experts across the Philippines.

For our stakeholders, it means sustaining our commitment to good corporate governance (CG). We were again, for the second year in a row, awarded Three Golden Arrows for our latest integrated Annual CG Report, joining the ranks of established Philippine companies recognized for adhering to and promoting corporate governance best practices.

For our shareholders, it means delivering positive financial performance and sustainable long-term growth. This strong growth in 2024 was delivered primarily by our APAC Branded Food and Beverage business. While our Meat Alternative Business remains challenging, the strategic restructuring and cost management efforts allowed us to achieve neutral EBITDA for that segment. We expect continued EBITDA improvement in 2025.

We are making great strides in our sustainability journey, which you will read more about in this report. One highlight I wish to mention is our Tulong Sulong campaign, where we empower "KaSulong" employees and communities to initiate positive social impact programs such as Share a Lucky Meal, coastal clean-ups, and donation drives. As part of our 45th anniversary celebration, our "45@45 Sari-sari Store Enablement Program" provided training and resources to empower store owners and establish ground-up sari-sari stores for five agricultural cooperatives. These efforts spread the spirit of KaSulong beyond Monde Nissin.

Through efforts like these and a consistent stakeholder-centric approach, we hope to deliver on a more inclusive and sustainable growth for another 45 years. Thank you for being a part of our journey and for being our KaSulong. Together, we can improve the wellbeing of people and the planet for generations to come, *Making Better Possible*®.

Sincerely,

HENRY SOESANTO
CEO, Monde Nissin Corporation

A Report from the Chief Sustainability Officer

Dear Stakeholders,

As we publish our 2024 *Making Better Possible*® Sustainability Report, we reflect on another year of progress and reinforce our commitment to sustainability through meaningful action and measurable impact. Our corporate aspiration — *"To improve the wellbeing of people and the planet and create sustainable solutions for food security"*— remains at the heart of our operations at Monde Nissin. Through our strategic sustainability initiatives, we have made significant strides in making better food accessibility, a healthier planet, a more inclusive working environment, and collaborative business relationships possible.

Advancing Our Sustainability Commitments

Monde Nissin strengthened our commitment to sustainability by integrating responsible practices across our business operations. We embraced innovation, built stronger collaborations, and engaged our employees and stakeholders to drive meaningful impact.

In 2024, we marked significant results in each of our strategic pillars.

- **Making Better Food Accessibility Possible:** In 2024, Lucky Me! was recognized as the #1 Most Chosen Brand in the Philippines for total Fast-Moving Consumer Goods (FMCG) and Food sector, with 98.7% household penetration, according to Kantar's 2024 Brand Footprint Report (based on 2023 data). They are priced at less than Php 20 per pack, making them accessible and budget-friendly options for millions of Filipinos. We also focused on fortifying our bakery and noodle products with essential vitamins and minerals, reinforcing our role in addressing nutritional gaps. In 2024, Monde Nissin achieved a 77% revenue share of fortified products and a 39% revenue share of sodium-reduced noodle products.

  While we had our achievements, we also faced challenges in addressing food insecurity and climate change. Balancing taste, nutrition, and sustainability considerations while meeting consumer demands was difficult. While we experienced setbacks in our sodium reduction efforts, we will continue to focus on making progress on our goals and make continual improvements. During product development, we went through multiple iterations to get this balance right. This experience taught us the importance of perseverance and constant improvement. Undeterred, we expanded our portfolio of nutritious and fortified products, improving accessibility to better food choices for consumers. The launch of GoodNom, our packaged coconut milk and plant-based milk alternative, and the Monde Nuvi chocolate drink has provided our consumers with healthier and more sustainable options while highlighting our commitment to creating meaningful collaborations.

- **Making Eco-efficiency Possible:** Our commitment to sustainability has led us to restore our solar panels' efficiency and integrate air compressors and chillers at our Santa Rosa plant site. These initiatives have increased electricity generation from solar panels, reduced costs, and decreased our reliance on conventional energy sources. By optimizing production processes and utilizing renewable energy sources, we have made notable progress in sustaining our energy and emissions intensity reduction compared to our 2021 baseline. In 2024, 92% of our total production output came from manufacturing plants using 100% renewable energy as their source of electricity.

  Moreover, we have taken additional steps to foster sustainability beyond our manufacturing operations. We have engaged suppliers in our sustainability journey through the Supplier Sustainability Roadshow, developed our Suppliers' Code of Conduct, and took steps to enhance responsible management of our post-consumer waste at the other end of our value chain. We went beyond mere compliance with our Extended Producer Responsibility (EPR) by diverting 100% equivalent of our post-consumer plastic packaging footprint away from nature for the second year in a row. Additionally, 99% of our manufacturing waste was diverted from landfills, and 94% of our plastic packaging is mono material.

  We have also improved water conservation measures by optimizing wastewater treatment systems and recovery and recycling efforts, leading to a measurable decrease in water consumption across our facilities. Packaging innovations, such as removing handholes in Monde Mamon packs, have further reduced plastic waste.

  In 2024, our Mandaue plant site achieved significant sustainability milestones by implementing an innovative multifuel boiler that combines coal and biomass, specifically coconut shells. This initiative resulted in additional energy savings and reduced greenhouse gas (GHG) emissions due to decreased coal fuel consumption. The multifuel boiler's ability to utilize biomass fuel has shown promising results, and we will continue to conduct further trials to maximize its potential.

  Despite significant progress compared to our 2021 baseline, in 2024, we faced increased energy, emission, and water intensities versus the prior year due to the startup of new production lines. Monde Nissin remains committed to continuous improvement, actively addressing these issues to meet our long-term sustainability goals and reinforce our commitment to energy efficiency and a zero-loss mindset.

- **Making Inclusivity Possible:** We continued strengthening workplace diversity and inclusion through various programs, including the Gung Ho! series, which fosters leadership development and cultural inclusivity. We expanded employee engagement efforts, offering training sessions on sustainability literacy to encourage a deeper understanding of our corporate responsibility.

"We are grateful for the progress we have made and view challenges as opportunities for growth."

In 2024, for instance, 100% of our sites actively participated in the various information sessions and activities of our sustainability week that brought awareness about our environment, health and nutrition, and the role of local communities, demonstrating our dedication to continuous education on sustainability. Additionally, we enhanced our workforce wellness programs, introducing mental health support initiatives and flexible work arrangements that promote work-life balance. Monde Nissin also strengthened its gender diversity efforts, increasing female representation in leadership roles and providing mentorship programs for career growth.

We recognize that when we serve our communities in various capacities, we are also taking care of our personal wellbeing. Volunteerism has become more common, sustainable practices and activities have broken out of the niche, and we are realizing how our overall health and wellbeing are very much relevant to our self-sustainability as much as our competency development.

- **Making Collective Action Possible (via "ColLOVEboration"):** We learned from the experience of an inspiring community leader that collective action is only possible through collaboration fueled by the LOVE for people, LOVE for the Earth. This year, it became more apparent that our aspiration for a better world is possible when we continually work together as good stewards of the resources and lives entrusted to our care. Our collaborations were forged strategically to uplift micro-entrepreneurs, women, children, and local communities and positively impact the local environment where we live and work. Our collaboration with Hapinoy empowered micro-entrepreneurs, particularly women-led sari-sari stores, by providing them with training and access to sustainable business solutions. Our collaborations with non-governmental organizations (NGOs) and government agencies have advanced our advocacy for food security, including our work with Feeding Programs that have benefited thousands of children in vulnerable communities.

MAKING BETTER FOOD ACCESSIBILITY POSSIBLE

Launched new products that cater to diverse dietary needs.

MAKING ECO-EFFICIENCY POSSIBLE

Implemented energy-saving measures and carbon emissions reduction strategy.

MAKING INCLUSIVITY POSSIBLE

Enhanced inclusivity through various employee engagement programs and diversified initiatives.

MAKING COLLECTIVE ACTION POSSIBLE

Collaborated with external parties to drive sustainability efforts.

Building on Lessons Learned

We are grateful for the progress we have made and view challenges as opportunities for growth. As market conditions and external factors evolved, we proactively align with our long-term vision. We conducted thorough reviews, identified key areas for improvement, and implemented strategic enhancements. These experiences have strengthened our agility, reinforced the value of continual monitoring, and inspired further policy innovation. Key takeaways include optimizing our approach to waste reduction, deepening supplier accountability, and scaling sustainability initiatives more effectively for lasting impact. One of the most notable achievements in our journey was our efforts in digitalizing our environmental, social, and governance (ESG) data collection and reporting processes, starting with environmental disclosures. We distinctly recall the initial stages of this project, where we faced numerous challenges in integrating various data sources and vetting accuracy. However, seeing the positive impact of our digitalization efforts on our reporting capabilities and transparency was incredibly rewarding.

Looking Ahead

As we move forward, Monde Nissin is dedicated to expanding our sustainability approaches, focusing on long-term impact and innovation. We will continue advancing our renewable energy commitments and explore additional green energy solutions. Waste reduction efforts will be further intensified, emphasizing circular economy principles. We recognize that consumer preferences are shifting towards more sustainable and ethically produced goods. Monde Nissin is committed to staying ahead of this trend by enhancing product fortification and continuing to uphold the highest ethical and environmental standards in our sourcing practices. Through research and development, we will leverage advancements in food technology to create healthier, more sustainable options that cater to diverse dietary needs. Additionally, we will continue to monitor changes in regulatory frameworks, global sustainability benchmarks, and best practices to uphold Monde Nissin's dedication to responsible business operations, and to strive to set industry standards. Strengthening our collaborations with suppliers, NGOs, and government agencies will also be a priority, allowing us to drive systemic change and contribute to a more sustainable future.

"We remain steadfast in our sustainability journey and will continue to innovate and collaborate with stakeholders to create a positive impact on our society and environment."

Moreover, our dedicated employees remain a driving force behind our journey. Their active participation in our initiatives and innovative contributions have been instrumental in our progress. We will continue investing in training and engagement opportunities to empower them to shape a more sustainable future for Monde Nissin.

There is still a long way to go, and there is still much to learn and apply. We remain steadfast in our sustainability journey and will continue to innovate and collaborate with stakeholders to create a positive impact on our society and environment. Thank you for your continued support and collaboration in *Making Better Possible®*.

MARIVIC NG CAJUCOM-UY
Chief Sustainability Officer

We Are Monde Nissin: Making Better Possible®

Monde Nissin takes pride in its diverse portfolio of trusted food and beverage brands built over 45 years of commitment to delivering quality food to customers worldwide. Our brands, including Lucky Me! instant noodles, Skyflakes crackers, Fita crackers, and Monde baked goods, have become household names, reflecting our dedication to bringing good food to the table.

Our dedication to *Making Better Possible*® is demonstrated by translating our aspiration into actionable steps to adapt in the ever-evolving business landscape. We develop, implement, and refine programs that uphold our commitment to sustainability, as we strive to meet today's needs while creating a more sustainable and food-secure future for all.

Our Aspiration

"We aspire to improve the wellbeing of people and the planet, and create sustainable solutions for food security."

At Monde Nissin, sustainability is at the heart of our corporate aspiration. It reflects how we contribute to society through our products and the positive social and environmental impact we are dedicated to making. While our businesses operate in different regions and communities, we are all united by a common goal, guided by our Making Better Possible® campaign. We are dedicated to reducing our environmental impact, supporting social development, and providing better food options to enhance food security for all.

Our Core Values

Guiding our efforts to create this future are our three core values, which inspire us to use our expertise and technology to achieve our aspiration.

We recognize that change is inevitable and welcome its rapid pace. As part of our core values, we believe that **Continuous Learning with a Growth Mindset** creates change and offers us opportunities to enhance and expand our capabilities. We embrace challenges, put in the effort, and view mistakes as valuable lessons for growth.

We value **Collaboration with Empathy** as we translate our goals into action by embracing diversity, valuing others' perspectives, and fostering open communication. Working together allows us to overcome challenges and achieve shared success.

We value demonstrating **Care with Action** by prioritizing the wellbeing of our people, company, and society. We go above and beyond to drive meaningful collective action, so that our efforts have a positive and lasting impact.

Our Value Chain

GRI 2-6

Monde Nissin's value chain serves as the practical embodiment of our Company's aspiration and values, and the goals set forth in *Making Better Possible*®. Through this, we translate our commitment to sustainability, innovation, and collaboration into tangible actions that directly impact every step of our operations. Each phase plays a crucial role in delivering high-quality food, enhancing efficiency, and fostering strong industry collaborations, while upholding our responsibility as a food industry leader driving positive change.

1. Research and Development (R&D)

We are committed to Making Better Possible® in product design and formulation. We focus on constant improvement and innovation in developing healthier, great-tasting, affordable, and more sustainable products through initiatives such as product fortification, use of fortified and/or plant-based alternative ingredients, packaging reduction, and shifting to mono-material plastic packaging. We continue to explore sodium and fat reduction in select products, while assessing consumer preferences, market trends, and the evolving regulatory landscape to refine our approach. To enhance our in-house R&D capabilities, we also collaborate with various innovation companies and organizations to promote sustainability. For details on our 2024 initiatives, see pages 32-33.

2. Supplies

We conduct vendor/supplier due diligence and accreditation procedures to enhance responsible sourcing and ethical practices in our supply chain. Our key raw materials such as wheat/flour, palm oil, shortening, coconut oil, and sugar accounted for the largest percentages of our company's cost of goods sold. We continually assess the prices of commodity raw materials, such as flour and sugar, while seeking sustainable alternatives and partnerships that promote environmental responsibility. For details on our 2024 initiatives, see page 69.

3. Manufacturing

We have established an extensive network of production facilities in the APAC BFB Business to meet the growing product demand. We employ best-in-class tools, processes, and standards of food safety and quality assurance at our manufacturing facilities while minimizing environmental impact and improving efficient use of resources. By optimizing energy and water use, reducing waste, and implementing sustainable production practices, we are committed to *Making Better Possible*® through responsible and sustainable manufacturing. For details on our 2024 initiatives, see pages 44-45.

4. Distribution

We prioritize efficient and responsible distribution, working with our trusted resellers and distributors to ensure broad product accessibility to the mainstream market nationwide while providing access to economic opportunities and resources to socially- disadvantaged groups. For details on our 2024 initiatives, see page 68.

5. Marketing

Our brands are engaging in marketing and community initiatives to promote nutritional balance, sustainability, and build positive relationships with consumers. Marketing and brand activation campaigns are designed to educate consumers about healthier and sustainable food choices and consumption habits, and empower them to make informed decisions. For details on our 2024 initiatives, see pages 35-37.

6. Post-Consumer

We take responsibility beyond the sale of our products by complying with EPR regulations. We focus on material type change, plastic use reduction, and diverting post-consumer plastic wastes from the landfill. We are shifting to mono-material packaging to improve recyclability of our packaging, optimizing packaging dimensions and thickness to reduce waste, and collaborating with recycling partners to meet EPR standards. For details on our 2024 initiatives, see pages 51-53.

Sustainability at Monde Nissin

GRI 2-25, 3-3

Driven by our corporate aspiration, Monde Nissin's sustainability journey steadily advances, addressing vital sustainable development challenges, including food insecurity and climate change, through targeted strategic initiatives.

Through proactive engagement with our various stakeholders and a mindset of relentless innovation, Monde Nissin continues to advance its sustainability strategy. What began as a broad purpose of uplifting lives has evolved into a strong desire to make better possible, not just focusing on our products, but more so for the people, the nation, and the planet through collective action.

How We Are "Making Better Possible®"

GRI 2-29, 3-1

In 2024, we made better possible by developing new products and formats that align with our sustainability goals, alongside consistently implementing process improvements across our manufacturing sites. This allowed us to provide our consumers with enhanced quality and better food options, and also to advance our commitment to environmental responsibility and operational excellence.

At Monde Nissin, material topics form the core of our sustainability framework, guiding our reporting and targets. In 2021, we conducted our first materiality assessment to identify key issues where we can make the greatest impact and drive change. We aligned our aspirations with global sustainability challenges and mapped these topics on a materiality matrix, assessing their impact on both our business gains and future success.

We engaged with a diverse group of stakeholders through interviews, focus group discussions, and surveys, with insights informing our sustainability strategy. In 2023, we revisited our material topics through stakeholder analysis, using their insights to update and refine our approach. We intend to conduct the periodic materiality assessments through stakeholder engagement that are vital to continuous growth, and to continually re-assess our North Star Targets for relevance and value-addition.

Our sustainability journey is shared through our SRs, where we address the sustainability priorities of our stakeholders. By leveraging our products and collaborations, we drive meaningful progress and sustain momentum in our commitments.

Our Sustainability Framework

GRI 3-2

Monde Nissin's sustainability framework presents our key environmental, social, and governance topics while highlighting our understanding of sustainability, emphasizing our purpose, the value we bring to society, and our key impacts.

Purpose

Improve the wellbeing of the people and the planet + create sustainable solutions for food security

Value to Society

Contributing to Food Security

Pivoting to a Healthier and Better Portfolio

Key Impacts

Resource Efficiency
- Water Usage
- Materials Efficiency

Climate Impacts
- Energy Usage
- GHG Emissions

Waste Management
- Solid and Hazardous Waste
- Wastewater and Effluents
- Food Loss

Plastic Footprint
- Avoidance and Reduction
- Recyclability
- Post-Consumer Waste

Responsible Sourcing
- Raw Material Traceability
- Supplier Environmental and Social Assessment
- Supplier Engagement
- Local Sourcing

Responsible Growth in Local Communities
- Jobs Created and Supported
  - Inclusive Distribution
  - Local Employment

Local Community Development
- Corporate Social Repsonsibility (CSR) Programs
- Calamity Response

Business Performance and Security
- Economic Performance
- Good Governance
- Cybersecurity

Consumers and Customers
- Product Accessibility
- Better and Healthier Products
- Product Quality and Safety
- Responsible Marketing
- Complaint Management
- Promoting Holistic Wellbeing
- Customer Satisfaction and Engagement

Human Capital Development
- Employee Management
- Employee Engagement
- Diversity and Inclusion
- Employee Benefits
- Labor-Management Relations
- Training and Development
- Occupational Health and Safety

Corporate Governance

The Board of Directors of Monde Nissin Corporation (as supported by its Chief Executive Officer, Chief Financial Officer, the Corporate Secretary, and the Legal and Compliance, Risk Management, and Corporate Internal Audit departments)

Our Sustainability Roadmap

Our sustainability roadmap is guided by our material topics and identifies key areas where we can create meaningful societal impact while generating business value. This approach has led to the development of four strategic pillars that will guide us in turning our vision of *Making Better Possible*® into action.

- The first pillar, *Making Better Food Accessibility Possible*, emphasizes the importance of contributing to food security by innovating better and healthier products for our consumers.
- Our second pillar, *Making Eco-efficiency Possible*, focuses on managing our environmental impact as we acknowledge the equal importance of how we produce our products. Sustainability requires collaboration across all business units, which is why Monde Nissin's sustainability governance structure defines the roles and responsibilities of various teams, including managing the environmental footprint of our manufacturing processes.
- *Making Inclusivity Possible* guides us in our goal to share economic value with our stakeholders, including our employees and local communities.
- Lastly, the success of our sustainability efforts is strengthened by collaboration, which is why *Making Collective Action Possible* focuses on building partnerships and engaging our employees to drive unified progress toward becoming a more sustainable business.

Each strategic pillar is supported by our North Star Targets, which guide our ongoing efforts to further improve and strengthen our sustainability performance.

Our ESG Data Collection, Validation, and Reporting

At Monde Nissin, we are committed to transparency, accountability, and adherence to global ESG reporting standards, including GRI, SASB, SEC Guidelines, and UN SDGs. In 2024, we strengthened this commitment by digitalizing our ESG data collection and reporting processes.

Collaboration drives our reporting process. We developed a standardized data template that integrates multiple frameworks, including SEC Guidelines, GRI, and SASB, for both qualitative and quantitative disclosures. To uphold data integrity, we conducted onboarding sessions and seminars to equip data handlers with the necessary skills for accurate ESG reporting. These sessions also aligned teams on reporting directions, as agreed within our Sustainability Reporting Technical Working Group.

The Corporate Sustainability Center oversees the distribution, collection, and consolidation of data templates from designated data handlers across departments and manufacturing sites. Data handlers are responsible for the accuracy of all submitted information, which the Corporate Sustainability Center then reviews, analyzes, and integrates with input from key department representatives. During the manuscript development phase, data handlers and department heads participate in a rigorous vetting process to test the accuracy and completeness of the report.

As we continue to enhance our ESG reporting practices, Monde Nissin remains committed to upholding the highest standards of sustainability, accountability, and constant improvement. Through innovation and collaboration, we strive to drive positive environmental and social impact while delivering long-term value to our stakeholders.

	Product	Planet	People	Partnership
Strategic Pillars	**Making Better Food Accessibility Possible** Monde Nissin develops healthier, great-tasting, affordable, and more sustainable products.	**Making Eco-efficiency Possible** Monde Nissin cares for the planet by managing its environmental footprint.	**Making Inclusivity Possible** Monde Nissin nurtures people by promoting better workplace practices, reaching out to communities, and creating livelihood opportunities.	**Making Collective Action Possible** Monde Nissin forms collaborations to foster meaningful change.
Priority UN SDGs	2 Zero Hunger	12 Responsible Consumption and Production 13 Climate Action	8 Decent Work and Economic Growth	17 Partnerships for the Goals
North Star Targets	• Majority revenue share of better and healthier products by 2030.	• 50% reduction in the Scope 1 and Scope 2 GHG intensity of manufacturing operations by 2025. • 50% reduction in the water intensity of manufacturing operations by 2025. • Zero Waste-to-Landfill from manufacturing operations by 2025. • 95% mono-material packaging by 2025.	• 5,000 Independent Brand Experts and 25,000 sari-sari stores provided with livelihood opportunities, and financial credit (for sari-sari stores) by 2030. • Diverse workforce all enjoying access to social safeguards and dialogue, and competency development by 2025.	• 100% of employees observing that sustainability is embraced in the way people act and decide in the Company by 2030.
Other UN SDGs Supported	1 No Poverty; 3 Good Health and Well-being; 5 Gender Equality; 6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities; 14 Life Below Water; 16 Peace, Justice and Strong Institutions			

Our Sustainability Governance Structure

GRI 2-12, 2-13, 2-14

Monde Nissin's sustainability governance structure defines the roles and responsibilities of various key governance bodies. This includes providing strategic direction at the Board and managerial levels, as well as promoting the effective execution of sustainability initiatives at the operational level.

	Role	Review Platform
BOARD OF DIRECTORS (Highest Governing Body)	• Approval of the Sustainability Policy and Framework • Provide strategic guidance on sustainability goals and initiatives and oversight over material sustainability issues and company response	Board Meeting
BOARD COMMITTEE (Corporate Governance, Nominations, and Remuneration Committee)	• Review and endorsement of the Sustainability Policy and Framework to the Board • Provide oversight over the implementation of Sustainability Policy and Framework	Board Committee Meeting
MANAGEMENT TEAM (CEO and Top-Level Cross Functional Leaders Below the Board-Level)	• Provide strategic guidance across business units, sites, and functions and determine sustainability goals, initiatives, and commitments • Review and monitor progress of sustainability initiatives	Management Review
SUSTAINABILITY LEADERSHIP TEAM (Corporate Sustainability Team and Monde Nissin's Department Heads)	• Engage relevant stakeholders to generate inputs that are relevant to developing strategies, goals, and initiatives. Team members are responsible for driving strategy execution and tracking performance on sustainability focus areas and material topics.	Sustainability Management Review
SUSTAINABILITY OPERATIONS (Sustainability Work Teams, Subject Matter Experts)	• Responsible for integrating initiatives and programs in day-to-day operations to achieve sustainability goals • Responsible for tracking progress versus commitments and reporting progress	Key Performance Metrics / Dashboard Review

Making Better Possible.

Our Journey So Far

Since the beginning of our journey, we have made substantial progress in the foundation we have established for our sustainability strategies and programs, driven by our capacity for innovation. We have evolved from a broad goal of improving lives to capturing the deeper purpose of our business, which is to care for our people and our planet. Thus, each milestone celebrates our employees' unwavering commitment to building a truly sustainable business. These achievements also embody the essence of *Making Better Possible*®: an ongoing process of improvement that begins within our operations and extends to positively impact those around us—a journey in which we made significant progress in 2024.

MAKING BETTER FOOD ACCESSIBILITY POSSIBLE

North Star Target
- Majority revenue share of better and healthier products by 2030

Progress in 2024
- **77%** revenue share of fortified products*
- **39%** revenue share of sodium-reduced noodle products**

Priority SDG
2 ZERO HUNGER

MAKING ECO-EFFICIENCY POSSIBLE

North Star Target
- 50% reduction in the Scope 1 and Scope 2 GHG intensity of manufacturing operations by 2025
- 50% reduction in the water intensity of manufacturing operations by 2025
- Zero Waste-to-Landfill from manufacturing operations by 2025
- 95% mono-material packaging by 2025

Progress in 2024
- **32%** reduction in Scope 1 and Scope 2 GHG intensity versus 2021 baseline
- **25%** reduction in water intensity versus 2021 baseline
- **1%** of waste generated from Monde Nissin's manufacturing operations was disposed of in landfills
- **94%** mono-material packaging (in terms of volume)

Priority SDG
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

MAKING INCLUSIVITY POSSIBLE

North Star Target
- 5,000 Independent Brand Experts and 25,000 sari-sari stores provided with livelihood opportunities and financial credit (for sari-sari stores) by 2030.
- Diverse workforce all enjoying access to social safeguards and dialogue, and competency development by 2025.

Progress in 2024
- **More than 1,400** Independent Brand Experts are part of Monde Nissin's Community Distribution Network
- **100%** of employees with above minimum wage
- **100%** of employees with medical benefits
- **35%** female workers in the workforce
- **55%** females in management positions
- **12** average training hours per regular employee

Priority SDG
8 DECENT WORK AND ECONOMIC GROWTH

MAKING COLLECTIVE ACTION POSSIBLE

North Star Target
- 100% of employees observing that sustainability is embraced in the way people act and decide in the Company by 2030.

Progress in 2024
- Increased employee awareness of sustainability issues during the Sustainability Week
  - Inspired **109** KaSulongs with the "Better Food, Better Planet, Better We" lecture, fostering awareness about food's impact on our world
  - Engaged **100%** of plant and office sites in a "Republika ng Plastic" Lunch and Learn, sparking crucial conversations about plastic pollution
  - Challenged **32** KaSulongs in the "Sort Me Out" waste segregation quiz, promoting responsible waste management
  - **81 out of the 225** registered KaSulongs were able to finish the 45km Making Better Possible virtual run, symbolizing our collective journey towards a sustainable future

Priority SDG
17 PARTNERSHIPS FOR THE GOALS

*Data covers products fortified with essential nutrients based on the Philippine Food and Drug Administration (FDA) standards for Lucky Me! noodles, and Monde Nissin's biscuits and packaged cake products.
**The revenue shift in sodium-reduced products reflects the reformulation of select SKUs to improve product flavor, underscoring our commitment to continuous product innovation.

Sustainability in Action

At Monde Nissin, we believe that cultivating the right mindset is essential for making real change happen. As we continue our journey towards Making Better Possible®, the Monde Nissin community promotes an adaptive mindset that prioritizes our business' environmental and social impacts. Below are Monde Nissin's key platforms that encourage employee participation and volunteerism, all rooted in our corporate aspiration and strategic pillars:

Better Me, Better Monde! Making Better Possible

Better Me, Better Monde are initiatives designed to promote health and wellness, encourage best practices, and enhance employees' wellbeing, empowering them to perform at their best.

Better SITE MONDE Making Better Possible

Better Site, Better Monde are workplace policies and programs focusing on responsible resource management, conservation, and sustainability, fostering environmental stewardship within the Company.

Tulong Sulong

Tulong Sulong is an employee engagement program built around four key pillars: nutrition, nature, community, and the country, driving positive change and cultivating a shared sense of responsibility. This is led by the program's changemakers, our KaSulongs.

LUNTIANG Lunes Making Better Possible

Luntiang Lunes is dedicated to serving more plant-based meals in the Company's canteens on Mondays, promoting healthier eating habits and encouraging employees to incorporate more vegetables and plant-based options into their diets.

Our campaign initiatives encourage individuals to contribute to achieving our corporate aspiration and sustainability goals, extending their influence beyond the workplace to families and communities. The achievements of our employees, collaborators, and stakeholders reflect our collective action, synergistic progress, and shared commitment to building a better, more sustainable future together.

Making Better Food Accessibility Possible

GRI 2-25, 3-3
SASB FB-PF-260a.2

A food-secure society guarantees that all have access to nutritious food that fulfills their dietary requirements, promoting both personal health and economic development. However, food insecurity remains a pressing issue. A 2024 Social Weather Stations (SWS) survey found that Filipino families experiencing involuntary hunger increased from 22.9% in September to 25.9% in December of the same year, highlighting the growing challenge of food accessibility for all.

At Monde Nissin, we recognize our role in addressing this issue within the food and beverage sector. Through our **Making Better Food Accessibility Possible** strategic pillar, we aim to provide affordable, high-quality products while promoting healthier eating through educational campaigns.

Our food products are a key part of our contribution to society, and we remain committed to enhancing them through ongoing innovation for the benefit of our consumers.

NORTH STAR TARGET OVERVIEW

Making Better Food Accessibility Possible

North Star Target:

Majority revenue share of better and healthier products by 2030

2024:

77% revenue share of fortified products*
39% revenue share of sodium-reduced noodle products**

2023:

71% revenue share of fortified products*
62% revenue share of sodium-reduced noodle products

Priority SDG:

*Data covers products fortified with essential nutrients based on FDA standards for Lucky Me! noodles, and Monde Nissin's biscuits and packaged cake products.
**The revenue shift in sodium-reduced products reflects the reformulation of select SKUs to improve product flavor, underscoring our commitment to continuous product innovation.

Working Toward Better Products, Healthier Choices, Greater Accessibility

We aim to gain a majority revenue share of better and healthier products by 2030.

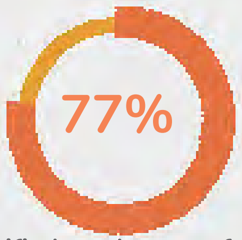
At Monde Nissin, we are committed to significantly increasing our revenue share from healthier and better products by 2030. Our dedication to expanding our portfolio of responsibly-made products supports food security and aligns with our North Star Target. By leveraging existing resources and infrastructure, we efficiently produce and distribute a diverse range of high-quality products, making them more accessible to a broader range of consumers and enhancing our offerings' nutritional quality. Through our marketing efforts, we actively promote healthier practices, helping consumers make better food choices every day.

Our Progress

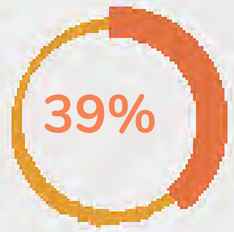
In 2024, we saw continued growth in our Asia-Pacific Branded Food & Beverage (APAC BFB) business, driven by key factors such as operational efficiency, product innovation, and market expansion. 58% of our biscuit revenue in 2024 came from products fortified with iron or Vitamin A. Of these fortified products, 14% of the revenue was generated by products featuring the fortification seal on the front of the packaging, enhancing consumer awareness. In the same year, we completed the full rollout of the fortification seal on wafer packaging. To encourage healthier eating habits, we launched the Instant Mami pairing campaign, encouraging combinations like mami with milk, vegetables, or eggs.

2024 saw the successful expansion of our product portfolio with the introduction of ready-to-drink chocolate milk and packaged coconut milk, demonstrating our commitment to meet evolving consumer preferences. These strategic launches not only satisfy consumer demands but also create quality products that align with our corporate aspiration.

Revenue Share of Better and Healthier Products in 2024



fortified product portfolio



sodium-reduced noodle products*

*The revenue shift in sodium-reduced products reflects the reformulation of select SKUs to improve product flavor, underscoring our commitment to continuous product innovation.

Our Actions

Our progress has been driven by initiatives implemented at various stages of our value chain, including product development, manufacturing, marketing, and post-consumption. These efforts aim to strike the right balance between taste and nutrition, enhance quality, and promote sustainability—so that all consumers can enjoy our products as part of a balanced diet.

Better and Healthier Products

Monde Nissin's multi-brand strategy focuses on continuous product improvement, quality and safety assurance, intensive market penetration, and sustainable production. We aim to reduce salt, sugar, and fat use, which can pose health risks if consumed excessively. At the same time, we remain committed to maintaining product quality, safety, availability and affordability, and integrating sustainability into our value chain.

Nutrition and Health

Monde Nissin is dedicated to improving Filipinos' access to affordable and nutritionally-adequate dietary options. According to the Philippine Department of Science and Technology's (DOST's) Food and Nutrition Research Institute (FNRI) surveys, many Filipinos have insufficient intakes of essential nutrients such as Vitamin A, Vitamin C, iron, and protein. These lead to conditions like anemia, affecting 5.4%* of Filipino school-age children, and Vitamin A Deficiency (VAD), which impacts 15.5%** of children under the age of 5. These deficiencies hinder individual wellbeing and impede national development, making it essential to address these issues for a healthier, more productive future.

With an extensive portfolio of food products millions of Filipino families consume, Monde Nissin is well-positioned to tackle these challenges. Our commitment to "Making Better Food Accessibility Possible" aspires that all Filipinos can access affordable, nutritious food, regardless of location or income level.

We continue focusing on food fortification and reducing our environmental footprint, while also evaluating approaches to sodium and fat reduction in response to consumer preferences, market trends, and the evolving regulatory landscape. Through fortification, we enhance the nutritional value of our products with essential vitamins and minerals. For instance, our Lucky Me! Noodles and Monde Nissin bakery products have delivered over 1.97 billion servings of Vitamin A and 2.94 billion servings of iron. These efforts particularly benefit school-age children and teenagers, helping support cognitive development and physical performance.

Our products featuring specific vitamins and minerals provide at least 15% of the recommended daily intake. We are extending these efforts across our product range and are dedicated to increasing the proportion of healthier, higher-quality products in our portfolio.

*Based on the 2023 DOST-FNRI National Nutrition Survey
**Based on the 2019 DOST-FNRI National Nutrition Survey (VAD data was not collected in subsequent years)

Enhanced nutritional value of Monde Nissin products in 2024

1.97 billion servings of Vitamin A

2.94 billion servings of Iron

To further address common gaps in the Filipino diet, we have also incorporated Vitamin C into Lucky Me! Noodles, providing 565 million servings. Vitamin C helps maintain immune function and overall health. According to Kantar's 2024 Brand Footprint Report (based on 2023 data), Lucky Me! reached 98.7% of Filipino households, highlighting our role in delivering fortified food across the country.

565 million servings of Vitamin C

Additionally, we have made sustainable strides by transitioning from pork chicharon to vegetable crackling in our Lucky Me! Go Cups. This change reduces safety concerns related to African Swine Fever (ASF), provides a cholesterol-free alternative, and has a lower environmental impact, requiring fewer resources like land, water, and energy to produce.

We expanded our product offerings by launching Monde Nuvi Chocolate Milk with Nata de Coco, a ready-to-drink (RTD) chocolate milk co-branded with Nutifood, a leading dairy-food manufacturer in Vietnam. This product line expansion supports our commitment to providing vitamin- and mineral-rich products, especially for children, with essential vitamins and minerals such as Vitamins A and D, phosphorus, zinc, and calcium.

We continue utilizing high-speed airflow (HSAF) in our products and focus on improving our efforts to reduce palm oil and saturated fats across our portfolio, aligning with our sustainability goals while offering healthier alternatives that meet consumer needs and environmental targets.

- **Nutrient fortification:** Since 1994, we have been enhancing the nutritional value of our Lucky Me! noodles through nutrient fortification, including adding Vitamin A, Vitamin C, and iron. In 2024, we introduced a new fortified product, Lucky Me! Instant Mami Beef Chilimansi, which is a source of iron. We adhere to FDA regulations by using fortified flour and iodized salt to produce our products.
- **High speed airflow (HSAF) technology:** HSAF enables us to reduce our palm oil consumption by around 10 grams per pack and reduce total fat calorie content similar to the previous year—by 70% and 20%, respectively—using high-velocity air to dry our instant noodles as compared to traditional instant noodle manufacturing using oil frying.
- **No preservatives added:** Since 2008, we have remained committed to eliminating artificial preservatives from our noodles. In 2024, we continued expanding our range of preservative-free noodle products, upholding our "No Preservatives Added" claim, which we have adhered to since 2023.
- **Sodium reduction:** Since 2020, we have worked to adjust the sodium content in select Lucky Me! products while maintaining their signature taste. The share of these products in our instant noodles revenue was 39% in 2024. We continue to explore sodium reduction strategies.

Noodles revenue share of sodium-reduced products in 2024*

*The revenue shift in sodium-reduced products reflects the reformulation of select SKUs to improve product flavor, underscoring our commitment to product innovation.

Product Quality and Safety

Monde Nissin is dedicated to maintaining and improving the safety and quality of our products. Our quality assurance process starts with carefully selecting ingredient suppliers who align with our requirements and tracking raw materials using a traceability system that monitors the entire journey of each product—from sourcing and production to the initial distribution of finished products—allowing us to effectively identify and address emerging issues in both raw materials and final offerings.

We adopted traceability software to enhance product safety, quality, and compliance while helping us grow and innovate through strategic tools. Initially focused on New Product Development (NPD) and procurement, it offers a customized solution that simplifies tracking items, connecting with suppliers, and streamlining operations. It also facilitates document sharing, encourages collaboration, and supports our sustainability goals by optimizing the supply chain.

Building on these initiatives, we plan to expand its application to streamline document exchanges, such as Product Information Sheets (PIS), while integrating risk and compliance management. This will strengthen our ability to meet evolving regulatory requirements, manage product recalls as needed, respond to alerts, and keep abreast of regulatory changes.

We maintain compliance with local and global food safety and quality regulations. In 2024, we achieved key certifications:

- Davao and Mandaue plant sites received plant-wide Halal certification.
- The Malvar and Porac plant sites are obtaining Food Safety System Certifications (FSSC) under a Global Food Safety Initiative (GFSI)-recognized scheme, aligning with harmonized global standards.

Earning certifications assures our stakeholders of the quality and safety standards Monde Nissin upholds for our products. We constantly improve our product formulations and processes, maintain high food safety standards, and integrate sustainable practices to deliver high-quality, accessible, and environmentally responsible products consistently.

Sustainable Production and Packaging

We reinforced our efforts to remove post-consumer plastic waste from nature, achieving 100% EPR compliance for the second year in a row and surpassing the diversion requirement under R.A. No. 11898, or the Extended Producer Responsibility Act of 2022 (EPR Law), which increased from 20% in 2023 to 40% in 2024. One of Monde Nissin's priorities was shifting to mono-material compositions and optimizing packaging materials, including reducing packaging dimensions and refining compositions.

Furthermore, 92% of Monde Nissin products were produced in manufacturing plants powered by 100% geothermal energy as their source of electricity, reflecting our ongoing commitment to integrating renewable energy across all our facilities. In the previous year, we highlighted our dedication to sustainability by featuring the renewable energy logo on the back of Monde Cream Puffs packaging, highlighting that the product was made through 100% geothermal-energy powered manufacturing processes.

Our Lucky Me! Pancit Canton Salu-Salo initiative reduces plastic use in a single multipack of Pancit Canton by eliminating the primary packaging of four individual packs, resulting in a 25% plastic reduction. Additionally, the removal of handholes from our Monde Mamon Multipacks (Classic, Savers, Bar, Filled, and Mini) resulted in a 10% reduction in plastic use.

These actions—aimed at reducing waste and creatively repurposing materials—demonstrate our dedication not only to making better food accessibility possible but also to the pursuit of eco-efficiency. For more details, refer to Making Eco-Efficiency Possible on page 41.

Guidance for Healthier Choices and Eating Habits

Our product labels display the nutritional content of our products, along with packaging information and guidelines for proper disposal, keeping consumers well-informed.

Consumers can readily see the calorie content of our Lucky Me! Instant noodles, clearly indicated on the front of the package, aiding their decision-making process. In 2024, we introduced fortification seals on our wafer packaging, increasing the biscuit revenue share of products with fortification seals on the front from 1% to 14%.

Monde Nissin's Marketing, NPD, Packaging Development Group (PDG), and Regulatory Affairs teams regularly collaborate to monitor compliance with FDA labeling guidelines.

Our School-Friendly Icon, displayed on the back of the packaging, identifies products that meet the Philippine Department of Education's (DepEd) Green classification, as defined by their 2017 policy to promote healthy food choices in schools. The icon appears on our Nissin Wafer (Classic Chocolate, Classic Yummy Butter, Classic Vanilla, King Size Chocolate, King Size Cheese), Nissin Stick Wafer (Chocolate and Strawberry), Nissin Butter Coconut (all sizes), Breadstix (all sizes), Breadstix Cheese, Breadstix Garlic Parmesan, and Eggnog (all sizes) products. This gives busy parents a quick reference to help them make healthier snack choices for their children. In 2025, Monde Nissin plans to expand the icon's use across all products that meet the DepEd's Green classification requirements, along with an educational campaign targeting parents and schools.

By accurately labeling our products, we offer consumers greater insight into their food choices and the processes behind the products they purchase. We maintain a thorough approach to compliance with labeling requirements and will continue to explore ways to improve the information we provide on our labels to further empower our consumers.

Our Instant Mami pairing campaign has gained over 400 million impressions across multiple digital platforms, promoting healthier ways to prepare the product by pairing it with milk, vegetables, or eggs. This initiative highlights the importance of food value and its role in supporting a healthy lifestyle, as the recommended pairings enhance the nutritional value of Instant Mami and encourages consumers to include a variety of fresh, whole foods in their diet while enjoying their favorite packaged foods.

Lucky Me! Factory Plant Tour Relaunch

After the pandemic hiatus, Monde Nissin proudly reopened the Lucky Me! Noodle Factory Plant Tour in October 2024, welcoming over 70,361 guests who took part in an engaging and interactive look behind the scenes of how their favorite Lucky Me! is made.

Free of charge and primarily intended for educational tours and school trips, the Lucky Me! Noodle Factory Tour is an opportunity for the brand to inform and educate guests in a fun and entertaining way. Various tour elements emphasize key elements of the brand's efforts in *Making Better Possible*®. Guests receive a warm welcome by Lucky M, the loveable Lucky Me! mascot and promoter of active play. Lucky M serves as a guide throughout the walking tour, appearing in numerous interactive experiences, sharing information on nutrition and fortification, and promoting healthier eating habits and an active play lifestyle. A special video also communicates the brand's advocacy on *Kainang Pamilya Mahalaga* (KPM), a Philippine government-recognized program which promotes the value of sharing meals with family, as it fosters stronger bonds, better academic performance, improved well-being, and healthier habits.

The highlight of the tour is the viewing deck where guests get to see their beloved Lucky Me! Instant Noodles being made with the care and commitment to quality that Monde Nissin puts in every pack. The tour operates throughout the school year at the Monde Nissin Noodle Plant in Santa Rosa, Laguna.

Product Accessibility

We believe that access to better and healthier products is key to improving food security in the Philippines. As part of our corporate aspiration, we are committed to providing delicious, affordable, fortified food products to all Filipinos, available to diverse income groups and broader communities.

Our products are distributed through key retail channels like supermarkets, grocery stores, convenience stores, and most important, sari-sari stores—the neighborhood shops that play such a key role in bringing food to people in underserved areas. We are proud to say that our products, specifically Lucky Me! Pancit Canton Kalamansi and Lucky Me! Instant Mami Beef na Beef, are among the most widely distributed in the country, with over 90% of stores across the Philippines stocking them.

Affordability is just as crucial as product accessibility. Apart from being widely available, our Lucky Me! Pancit Canton Kalamansi and Lucky Me! Instant Mami Beef na Beef products are priced at less than Php 20 per pack, making them budget-friendly meal or snack options for millions of Filipinos. Refer to the sidebar or feature story on Lucky Me! as the Most Chosen Brand for more details.

Lucky Me!: Bringing Comfort and Happiness to Filipino Homes

Lucky Me! has been recognized as the #1 Most Chosen Brand in the Philippines for both the FMCG and Food categories in Kantar's Brand Footprint 2024 report, based on 2023 data. With an impressive 98.7% household penetration, Lucky Me! stands as a symbol of accessibility and reliability, deeply integrated into the everyday lives of Filipino families. This achievement underscores the brand's essential role in providing affordable and nutritious food options, contributing significantly to food security by supporting millions of households across the nation.

98.7% Percentage of Lucky Me! Household Penetration

From our humble beginnings in 1989, Lucky Me! has evolved into more than just a brand—it has become a source of comfort and joy in Filipino homes. Whether it's a quick meal after a long day or a shared moment around the table with family and friends, Lucky Me! has been there to satisfy cravings, lift spirits, and nourish relationships.

Beyond nurturing the body, Lucky Me! brings happiness to everyday moments. As challenges continue to grow, it remains a reliable and affordable source of nourishment, supporting Filipino families in their daily lives.

Kantar's Brand Footprint ranks FMCG brands using Consumer Reach Points (CRP), combining population size, brand penetration, and consumer choice. According to the Kantar Brand Footprint Report 2024 Philippines, Lucky Me! achieved an impressive 889 million CRPs, highlighting its deep connection with Filipino consumers.

In addition to Lucky Me!'s outstanding performance, other brands in the Monde Nissin portfolio have made notable strides in the rankings. SkyFlakes secured the #10 spot in the Food category, Fita claimed #14 in the same category, and Dutch Mill ranked #10 in Dairy. These rankings further demonstrate the extensive reach of Monde Nissin products, all contributing to the daily lives of Filipino families.

At Monde Nissin, we take pride in knowing that Lucky Me! continues to play a central role in the daily lives of millions, helping families come together over meals that provide comfort, joy, and connection. We remain committed to offering accessible, nutritious food, and contributing to the wellbeing and food security of families across the Philippines.

Our other products, like Nissin Butter Coconut, Bingo Cookie Sandwich, Nissin Bread Stix, Nissin Eggnog, and Nissin Classic Wafer, with price points at less than Php 10 per piece, are also designed to be within reach of consumers from all walks of life.

Expanding our reach and working closely with local retailers delivers on a commitment that tasty, affordable, better-for-you food is always within reach.

FEATURE STORY:

GoodNom Fresh Gata: Sustaining Communities, Enriching Lives

Monde Nissin's diverse product portfolio, which includes instant noodles, biscuits, and other fast-moving consumer goods, allows us to serve a broad range of customers with varying needs, preferences, and budgets. Our constant innovation is rooted in our aspiration to provide sustainable food security solutions that enhance the wellbeing of both people and the planet.

In 2024, we expanded into the packaged coconut milk market with the launch of GoodNom Fresh Gata to meet the increasing demand in this rapidly growing category. GoodNom is more than just a product—it represents our unwavering commitment to sustainability and our focus on creating positive social and environmental impact.

Made from fresh coconuts sourced from the coastal areas of Palawan, GoodNom offers a healthier, naturally sweet alternative with no preservatives or added sugars. The sustainability of GoodNom extends beyond its health benefits, incorporating eco-friendly practices in both its sourcing and packaging.

The coconuts used are harvested by local communities in Palawan, providing them with stable, meaningful employment and supporting responsible farming and harvesting practices. By choosing GoodNom, consumers are contributing to the empowerment of these communities, helping improve their livelihoods while preserving the local environment.

GoodNom also utilizes lightweight packaging solutions that minimize material and energy usage, and provide more efficient resource utilization and sustainable product delivery—all while maintaining freshness and safety. This innovative packaging highlights Monde Nissin's dedication to reducing our environmental footprint and fostering sustainable practices across all aspects of production.

Our commitment to innovation goes beyond expanding our product range; it is integral to our pursuit of responsible, inclusive growth. By leveraging our resources and infrastructure, we produce high-quality products that meet evolving consumer needs while optimizing costs and minimizing environmental impact. Through close collaboration with local communities, we create stable jobs, improve livelihoods, and build sustainable supply chains, strengthening both economic and environmental resilience for a more responsible future.

At Monde Nissin, our sustainability strategy is built on innovation, responsibility, and a deep commitment to the wellbeing of people. Expanding on our first strategic pillar, *Making Better Food Accessibility Possible*, we now drive sustainability through three focus areas: *Making Eco-efficiency Possible, Making Inclusivity Possible, and Making Collective Action Possible.*

These pillars shape our holistic approach, so that our efforts benefit both people and the planet. We minimize our environmental footprint across our manufacturing sites through eco-efficiency, while our commitment to inclusivity empowers employees and creates meaningful livelihood opportunities within our distribution network. At the heart of our strategy is collaboration—working with diverse stakeholders to amplify impact, drive shared success, and create lasting positive change.

Making Eco-efficiency Possible

GRI 2-25, 3-3

At Monde Nissin, we recognize the urgent challenges of climate change and remain conscientious in addressing them through our **Making Eco-efficiency Possible** initiative across our manufacturing sites. As one of the most climate-vulnerable nations, the Philippines faces increasing environmental risks, prompting the national government to set aggressive targets and urge businesses to take an active role in global climate action.

As a leading food and beverage manufacturer, we understand the importance of monitoring and managing our environmental impact. While progress requires ongoing effort and adaptation, we remain committed to finding practical and scalable solutions that contribute to a more sustainable future.

NORTH STAR TARGET OVERVIEW

Making Eco-efficiency Possible

North Star Target:

- **50% reduction in the Scope 1 and Scope 2 GHG intensity of manufacturing operations by 2025**
- **50% reduction in the water intensity of manufacturing operations by 2025**
- **Zero Waste-to-Landfill from manufacturing operations by 2025**
- **95% mono-material packaging by 2025***

2024:

- **32% reduction in Scope 1 and Scope 2 GHG intensity versus 2021 baseline**
- **25% reduction in water intensity versus 2021 baseline**
- **1% of waste generated from Monde Nissin's manufacturing operations was disposed of in landfills**
- **94% mono-material packaging material (in terms of volume)***

2023:

- **33% reduction in Scope 1 and Scope 2 GHG intensity versus 2021 baseline**
- **28% reduction in water intensity versus 2021 baseline**
- **3% of waste generated from Monde Nissin's manufacturing operations was disposed of in landfills****
- **94% mono-material packaging material (in terms of volume)***

Priority SDG:

*Terminology used for the North Star target related to packaging was updated from recycle-ready to mono-material to provide a straightforward description of our goal.
**The 2023 total waste generated data was restated to correct a unit inconsistency identified at one of the sites. The total percentage of waste diverted from landfill has been updated accordingly.

Emissions and Energy

We aim for a 50% reduction in the Scope 1 (direct) and Scope 2 (indirect) GHG intensity of our manufacturing operations by 2025.

Over the years, Monde Nissin has prioritized process optimization and energy efficiency while transitioning most of our plant sites to renewable energy, all to reduce our environmental footprint.

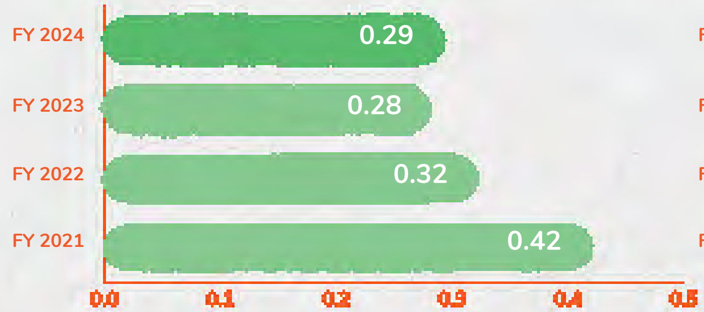
Our Progress

In 2024, we reduced our GHG intensity (Scope 1 and Scope 2) by 32% versus our 2021 baseline data. The reduction in power consumption and GHG emissions stems from daily monitoring, collaborative efforts, and optimized utility operations tailored to production runs. We regularly assess the effectiveness of our initiatives across all areas of our operations to facilitate improvement in energy efficiency.

Supporting our emissions reduction efforts is our focus on reducing energy use. In 2024, Monde Nissin achieved an 11% reduction in energy intensity compared to 2021. Consistent monitoring has enabled our plant site teams to set actionable internal targets and identify new opportunities to operate our production lines more efficiently.

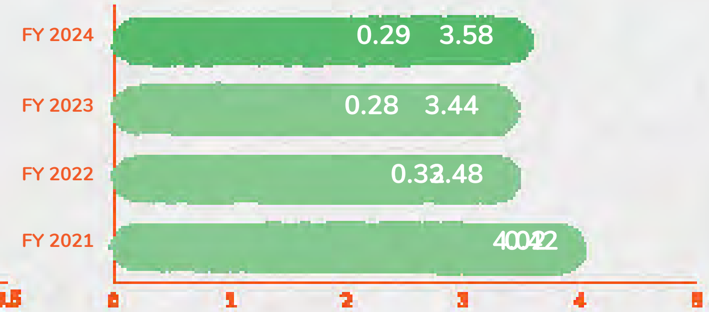
Scope 1 and Scope 2 GHG Intensity Across Monde Nissin's Manufacturing Sites*
(in tonnes CO2e/tonne of product produced)

GRI 2-4, 305-4



Energy Intensity Across Monde Nissin's Manufacturing Sites
(in GJ/tonne of product produced)

GRI 2-4, 302-3



*Emissions from 2021 onward were recalculated using the Department of Energy's (DOE) National Grid Emission Factor (NGEF) for 2019–2021 (posted in June 2024) for Non-Renewable Energy Purchased Electricity, the GHG Protocol Cross-Sector Tool (version 2, posted March 2024), and revised biomass emission accounting. Additionally, the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6 (AR6) guidelines were adopted to align with updated reference methodologies.

Our Actions

We are committed to improving our energy efficiency. To achieve our energy efficiency goals, we prioritize comprehensive reduction efforts across our manufacturing sites. By utilizing submeters across various operations, we can closely monitor fuel and power consumption in key areas, including steam generation and daily electricity consumption of utility equipment. This data-driven approach is strengthened by our ongoing power mapping initiative, which gives us a clearer, more detailed view of our entire energy landscape. This deeper insight has allowed us to refine our energy management practices, so that our efforts are focused where they will have the most impact. Cross-department collaboration is key, enabling us to implement effective energy usage control through agreed-upon strategies.

Emissions Reduction and Energy Efficiency Initiatives

We enhanced our energy management by monitoring electricity consumption daily through meter readings. This allowed us to track usage, identify irregularities, and enhance the effectiveness of energy-saving measures.

Significant strides have been made in reducing electricity consumption and optimizing steam performance with projects like the boiler oxygen trim and variable oil loading system for the Pancit Canton (PC) line, integration of the air compressor system, chiller integration project, and enhanced coal management system. These initiatives have enhanced fuel and electricity efficiency, improved waste heat recovery, and resulted in substantial cost savings.

To reduce GHG intensity, we strategically opted not to activate generators during peak hours, reducing costs and minimizing emissions, as the power supply remained stable. We also strengthened preventive maintenance (PM) practices for our generators, boilers, and pollution control facilities for increased operational efficiency.

We implemented routine monitoring of steam generation and distribution systems and assigned ownership for boiler operations. This includes maintaining optimal operating parameters, promptly addressing defects, and regularly cleaning and inspecting pollution control facilities to maintain efficiency.

We implemented a Coal Management System to improve boiler efficiency and reduce coal usage, driven by a "Run to Target" mindset and just-in-time process control. Routine monitoring of flue gas emissions, combined with an integrated inspection checklist, has helped us assess the effectiveness of our pollution control systems. These efforts contribute to energy-saving initiatives and compliance with environmental regulations.

We revived weekly Energy Conservation (EnerCon) meetings to encourage collaboration across sites. These meetings bring together energy conservation teams from each location to review performance metrics such as energy, water, and GHG intensities. Representatives analyze variances, share insights, and implement corrective actions, fostering a culture of progressive improvement and driving ongoing progress in energy efficiency.

While we made significant progress, we experienced an increase in energy and emission intensities compared to the previous year, driven by various operational factors, including startup of new production lines. Despite these challenges, Monde Nissin remains committed to improvement and is actively addressing these issues to meet our long-term sustainability goals, and reinforce our zero-loss mindset with regard to energy efficiency.

Renewable Energy

Our collaboration with the EDC Group (i.e., Energy Development Corporation and its subsidiaries) continues to contribute towards meeting our reduced GHG emissions goals before 2025, and allows us to utilize geothermal energy as our primary source of electricity in nearly all of our Philippine manufacturing plants, with the exception of the Davao plant site.

Additionally, we strengthened PM for our generators, boilers, and pollution control facilities to enhance their efficiency and meet environmental standards. We also implemented projects such as restoring solar panels in our Santa Rosa plant site, increasing our electricity harvest from 2,000 kWh to 4,000 kWh daily.

Monde Nissin remains focused on identifying opportunities for transitioning to cleaner energy sources while promoting a culture of energy conservation among employees that aligns with our sustainability objectives.

Percentage of Electricity Consumption by source across Monde Nissin's Manufacturing Sites

90% Geothermal

1% Solar

9% Non-Renewable Energy

Compliance Monitoring

To manage emissions, each plant has a Pollution Control Officer (PCO) who monitors emission sources, updates permits, and maintains compliance records. Fuel quality, operational settings of Air Pollution Source Equipment (APSE), and the regular maintenance of Air Pollution Control Facilities (APCF) are closely monitored to meet emission standards set by R.A. No. 8749 or the Philippine Clean Air Act of 1999.

Additionally, in line with the Energy Efficiency and Conservation Act (R.A. No. 11285), we promote energy efficiency, enhance energy use, and pursue energy-saving projects. We actively engage with the Department of Environment and Natural Resources - Environmental Management Bureau (DENR-EMB) to stay updated on emissions regulations and sustainability initiatives.

FEATURE STORY:

MNC Mandaue Site's Multi-Fuel Boiler: Advancing Sustainable Energy Use

In December 2023, Monde Nissin's Mandaue Site kicked off trial runs of an innovative multi-fuel boiler that combines coal and biomass, specifically coconut shells (coco shells). By January 2024, our team reached full operational capacity with an initial fuel mix of 30% biomass and 70% coal. Thanks to ongoing optimization, the biomass ratio has since increased to 60% coco shells and 40% coal, and we're now achieving a 70:30 ratio. This marks a significant and promising shift toward a more sustainable energy solution.

A key discovery since implementation is the use of coco shell ash, which acts as a natural neutralizer and has eliminated the need for caustic soda in the boiler's water scrubber. This change simplifies operations, reduces chemical waste, and enhances environmental safety. Additionally, the incorporation of coco shells into the fuel mix has improved combustion efficiency and cut ash production by 70%, resulting in cleaner furnace operations.

Initially, we expected the shift to biomass to increase fuel costs, as biomass has a lower heating value than coal. However, the anticipated cost increase did not materialize. Instead, we achieved a 5% to 10% improvement in thermal efficiency, leading to a 28% reduction in fuel costs compared to 2023. We also realized additional savings by eliminating caustic soda.

The most notable outcome, however, is the substantial reduction in GHG emissions. As a carbon-neutral fuel, biomass offsets the environmental impact of coal, aligning with our global climate goals. This resulted in a 41% reduction in the Mandaue plant site's Scope 1 emissions versus 2023, primarily driven by reduced coal usage. It also provides the local community with a cleaner, more sustainable energy source, improving overall quality of life.

This multi-fuel approach reflects our commitment to sustainability as we take meaningful steps toward making eco-efficiency possible. By reducing operational costs, we are advancing toward benefiting both people and the planet while fostering long-term sustainability.

Water

GRI 303-1, 303-2
SASB FB-PF-140a.3

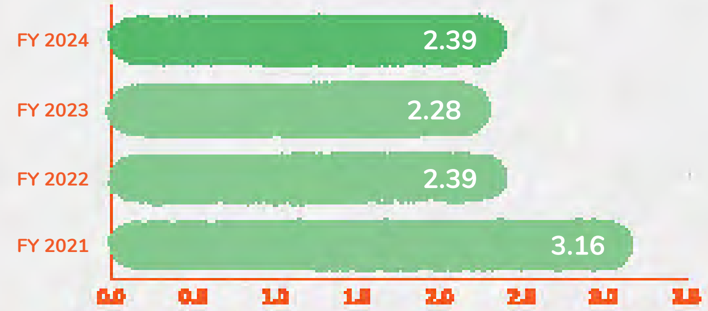
We aim for a 50% reduction in the water intensity of our manufacturing operations by 2025.

Water is a vital resource, serving as a coolant in industrial operations and essential potable water. Recognizing its critical importance, Monde Nissin manages this shared resource. We actively monitor water consumption and invest in innovative recycling methods to enhance efficiency and sustainability.

Our Progress

In 2024, we made significant progress in reducing water usage and improving efficiency across our operations by 25% versus our 2021 baseline data. Key initiatives included introducing effluent recycling to save water, optimizing water consumption through the use of recovered water, and making operational adjustments that reduced maintenance and costs.

Water Intensity Across Monde Nissin's Manufacturing Plants
(m3/tonne of product produced)



Our Actions

Improving our water efficiency is a continuing and evolving process. Central to this is our commitment to thoroughly monitoring where our water comes from, how it is used, and when it is discharged. By gathering this vital information, we gain deep insights into our water usage patterns, allowing us to identify any losses or inefficiencies within our operations.

Water Use

Monde Nissin sources water from deep well pumps, third-party providers, and, where applicable, rainwater harvesting systems for non-potable uses like cooling and irrigation. This water is processed for various purposes, including filtered water for cleaning and lavatory use, soft water for machinery and cooling, process water for production, drinking water, and reverse osmosis (RO) water for steam generation.

Water Efficiency

In 2024, we focused on improving our water mapping across manufacturing sites, integrated with our ongoing loss elimination efforts. This initiative involved identifying key areas where water meters were necessary to improve tracking and management. Through daily monitoring of water withdrawal, consumption, and effluent via these water meters, we can better assess the effectiveness of our water conservation efforts.

Our water efficiency initiatives focus on eliminating losses, addressing defects, fixing leaks, and optimizing steam traps for enhanced condensate recovery. We continue working on improving water recovery and have expanded our wastewater recycling efforts to reduce dependency on freshwater sources, contributing to overall water sustainability.

Additionally, we've started to implement autonomous maintenance across our manufacturing sites, empowering frontline operators to take ownership of routine equipment care, including cleaning, inspections, and minor repairs. This proactive approach has helped us improve equipment management and reduce unplanned downtime. This initiative aims to further drive reductions in water intensity across sites.

At our Davao site, launching the new bakery line in April 2024 led to a temporary increase in water usage during the startup phase. Despite this, we continued to refine our water recovery efforts and implement strategies to optimize water use across all sites. We are dedicated to reducing water intensity and seeing to it that our operations align with our long-term sustainability goals.

These efforts reflect our unwavering commitment to sustainability and driving operational efficiency throughout the business.

Water Effluent

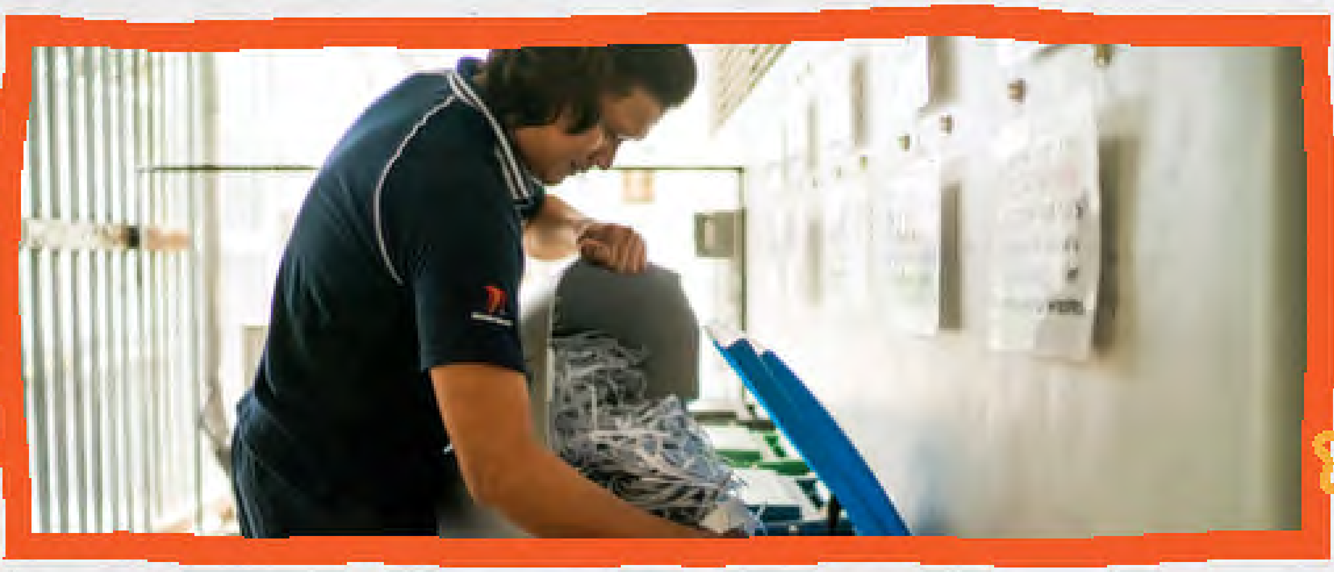
Wastewater generated from production operations, sewage, and other plant activities is directed to our wastewater treatment facilities before being discharged into the public drainage system. Monde Nissin complies with the Clean Water Act of 2004 (RA No. 9275) and discharge requirements set by the DENR and Laguna Lake Development Authority (LLDA). We also adhere to sector-specific standards outlined in DENR Administrative Orders (DAO) 2016-08 and 2021-19, which govern the influent and effluent sampling conducted by DENR-accredited third parties.

Waste

GRI 306-1, 306-2

We aim to have zero waste-to-landfill from our manufacturing operations by 2025.

Efficient operations reduce resource consumption and thereby reduce waste generation. By implementing effective waste management practices such as waste segregation, reuse, repair, and recycling in our operations, we help mitigate pollution, addressing a major challenge within the food industry and driving positive environmental impact.

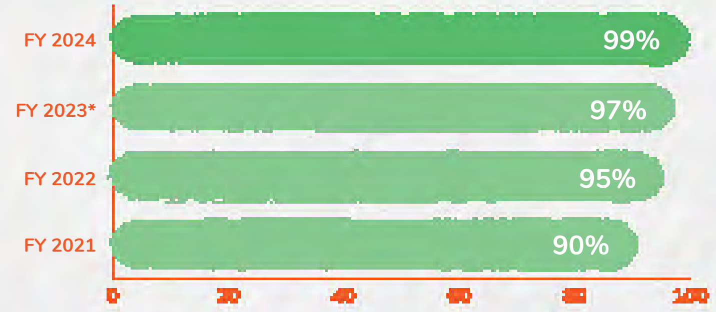


Our Progress

GRI 2-4

In 2024, we diverted 99% of our waste from landfills, bringing us closer to our Zero-Waste-to-Landfill goal. This progress has been driven by company-wide efforts to digitalize processes, repurpose materials, and enhance recycling, along with initiatives to minimize waste at the source through optimized resource usage and workflow redesign. Additionally, our collaboration with waste management experts has been key to identifying innovative solutions for responsible waste treatment and disposal, further reducing reliance on landfills.

Percentage of Waste Diverted from Landfills Across Monde Nissin's Manufacturing Sites



*The 2023 total waste generated data was restated to correct a unit inconsistency identified at one of the sites. As a result, the total percentage of waste diverted from landfill has been updated accordingly.

Our Actions

Monde Nissin's collective efforts in our plant sites and collaborations built with organizations sharing similar zero-waste and recycling goals, including the Philippine Alliance for Recycling and Materials Sustainability (PARMS) and Plastic Credit Exchange (PCX, previously HOPEx Environment Group, Inc), advances us towards our goal of diverting post-consumer waste from landfills. We remain focused on our Zero Waste-to-Landfill program, constantly enhancing recycling practices and proper waste management implementation. We collaborate closely with our collaborators and regulators to improve waste tracking and monitor the final disposal of waste, reinforcing our commitment to sustainability. To learn more about our impactful collaborations, refer to the Making Collective Action Possible section on pages 72-77.

Zero-Waste-to-Landfill

We continue advancing our Zero-Waste-to-Landfill program across all manufacturing sites. Our internal Waste Management Guide, integrated into annual Good Manufacturing Practices orientations, fosters employee awareness and aligns with our sustainability goals.

In 2024, three out of five Monde Nissin manufacturing sites achieved zero-waste-to-landfill. Key components, including waste reduction and segregation, continued to be implemented throughout the year.

We continued implementing Material Utilization initiatives to optimize material usage and minimize process rejects and waste across raw materials, packaging, and indirect materials. As a result, the Santa Rosa Noodles Plant increased production output by 6% compared to 2023 while reducing the total cost of rejects and waste by 46%, demonstrating the effectiveness of Monde Nissin's continuous improvement strategies.

Our teams conduct daily waste monitoring and track weekly waste generation trends, supporting regular discussions to identify action plans and facilitate effective waste management. This process drives progress toward achieving our sustainability targets.

We take a practical, source-reduction approach to waste management under the Waste Reduction component. By applying lean manufacturing principles, we minimize material, energy, and water use while eliminating waste from defects, overproduction, and inefficiencies in processes and logistics. Addressing waste at the source reduces environmental impact and operational costs and enhances efficiency, material utilization, and product quality.

Under the Waste Segregation component, we conduct proper classification and disposal of waste types. With new building construction and operations, we have expanded efforts so that all new waste is correctly identified, segregated, and diverted from landfills. We work with partner recyclers and waste treaters to implement recycling and co-processing of waste generated at our plant sites, to maximize waste diversion. Additionally, biodegradable waste, previously sent to landfills, is now processed by a third party to create biogas and fertilizer.

Recycling and Repurposing

As part of our sustainability efforts, we have implemented the No Single-Use Plastic Policy at select plant sites, including Davao, Porac, and Malvar, which covers plastic grocery bags, bottles, and cutlery. Additionally, we have replaced plastic trash bags with sacks for storing de-branded waste, such as noodles and biscuits, reducing plastic use and promoting material repurposing.

We have also adopted a cleaning process for non-hazardous gloves and rags, enabling their safe reuse in maintenance tasks. Led by operations personnel, this initiative minimizes waste, reduces disposal needs, and supports our commitment to sustainability.

Compliance and Monitoring

Monde Nissin uses a centralized database to compile monthly waste summaries for reporting purposes, as we track waste data daily to monitor management performance and identify trends within the organization.

We also regularly engage with the DENR and see to it that we comply with all reporting requirements under RA No. 9003 (Solid Waste Management Act of 2001) and RA No. 6969 (Hazardous Waste Management Act of 1990).

Waste Hauler Audits

Waste management and hauling requirements for service providers have been reassessed to meet the site's current needs. We continually explore ways to improve waste management from the source to storage areas (e.g., staging areas, residual waste bins, Material Recovery Facility) and final destinations (e.g., landfill, recycling facilities).

Our PCOs diligently conduct regular cadence and annual reviews of all collaborator waste haulers and diverters to monitor compliance with government regulations and our standards. This ongoing process is essential in maintaining accountability and aligning with environmental best practices. Additionally, we consistently seek new collaborators who can provide enhanced solutions for waste diversion.

As part of our commitment to sustainability, we have completed waste hauler bidding processes, audits, and cost reduction efforts, with a view to making our waste management practices both more efficient and effective. We also actively track and report waste volumes generated by the construction and bakery expansion projects in our monthly meetings, with a strong focus on maximizing recyclability and minimizing landfill waste. These approaches reinforce our dedication to reducing our environmental footprint while fostering constant improvement in waste diversion strategies.

Materials and Packaging

SASB-PF-410a.2

We aim for 95% of our packaging to be mono-material by 2025.

At Monde Nissin, our packaging goal is to maintain product quality while using materials that minimize environmental impact. We aim to manage our waste and promote retrievability even after our products reach consumers.

Our Progress

In 2024, Monde Nissin advanced the transition to mono-material packaging while optimizing materials by reducing the size of packaging dimensions and refining packaging compositions to improve efficiency and sustainability.

We are working towards our goal of 95% mono-material packaging by 2025. We implemented initiatives such as removing handholes from Monde Mamon Multipacks leading to a 10% reduction in plastic packaging surface area, and reducing plastic by 25% with the Lucky Me! Pancit Canton Salu-Salo Pack.

Mono-material Packaging Used in 2024

Our Actions

Our progress is driven by adopting more recyclable packaging, reducing material use, and refining packaging to eliminate unnecessary dimensions. This includes shifting to mono-material packaging, prioritizing recyclable or reusable packaging, and reducing packaging weight through thickness or dimension reduction. We also collaborate with organizations that support our efforts to achieve our sustainability goals.

Beyond Compliance

Monde Nissin maintains priority compliance with the EPR Law and other relevant regulations. In line with the EPR's implementation, we are actively pursuing collaborations and are participating in programs that provide opportunities to minimize the environmental impact of plastic waste.

FEATURE STORY:

Beyond EPR Compliance

Caring for the Planet

At Monde Nissin, we believe sustainability is not just about meeting regulations—it's about making a real difference. In our first year of compliance with EPR Law, in 2023, we exceeded expectations by not only meeting the mandated 20% plastic recovery target but also achieving 100% recovery and diversion of our total plastic footprint. This means that for every kilogram of plastic we introduce into the market, an equivalent amount of plastic is responsibly collected.

This achievement was made possible through our collaboration with PARMS and PCX. By working with various waste diverters through PCX, post-consumer flexible and rigid plastics are collected and converted into alternative fuels as encouraged and supported by the DENR-EMB. This helps keep plastics out of landfills and oceans, reducing reliance on fossil fuels like coal.

For us, tackling the plastic waste crisis begins at the source; therefore, we use less plastic. We have taken meaningful steps to reduce unnecessary plastic in our packaging, including:

- Removing plastic trays and handles from Monde Mamon
- Eliminating condiment sachets from Lucky Me! Go Cups

Every small change makes a difference. By making mindful choices, we cut back on plastic usage and waste and continue to offer the quality and convenience our customers appreciate.

These efforts are not just about promoting environmental change—they also have a meaningful social impact. By creating jobs, supporting communities, and encouraging sustainable practices, we are working to build a better future for everyone. You can read more about the positive social impacts of this initiative on page 75.

FEATURE STORY:

Reimagining Packaging: MNC's Reduction Initiatives

As part of our dedication to reducing plastic waste, Monde Nissin is taking meaningful steps to reduce our environmental footprint while continuing to deliver the high-quality, convenient products our consumers value–these steps include the launch of several packaging reduction initiatives, which also demonstrates our full support for the implementation of the EPR program as a member of PARMS.

We have successfully implemented a handhole removal initiative for our Monde Mamon Multipacks, which resulted in a 10% reduction in surface area and an estimated 80MT reduction in plastic waste based on 2024 volume projections. This change, applied across our Davao and Santa Rosa plant sites and across all Monde Mamon variants, was achieved by replacing the multipack jaw sealer with a more sustainable design. This effort contributes significantly to our ongoing packaging reduction strategy as we continue to make packaging more environmentally friendly without sacrificing product quality.

These initiatives contribute towards Monde Nissin's compliance with regulatory requirements and exemplify our commitment to driving impactful change in packaging reduction. By rethinking our product packaging design, we reduce plastic waste, enhance recyclability, and align more closely with our sustainability goals. We remain keen on leading by example, making impactful changes that benefit the environment, our consumers, and future generations.

Making Inclusivity Possible

GRI 2-25, 3-3

Monde Nissin is committed to **Making Inclusivity Possible** by supporting our employees and expanding livelihood opportunities within our CDN. While we strive to extend our impact beyond our value chain, we recognize the challenges in creating sustainable opportunities, such as economic uncertainties, evolving labor market demands, and maintaining long-term viability for community-based enterprises.

Our efforts are guided by one of our core values—continuous learning with a growth mindset. We acknowledge the importance of providing access to decent work, fair wages, and safe working conditions. As we navigate evolving market dynamics and societal needs, we seek to strengthen our capabilities, address obstacles, and drive positive growth for our people and communities.

NORTH STAR TARGET OVERVIEW

Making Inclusivity Possible

North Star Target:

- **5,000 Independent Brand Experts and 25,000 sari-sari stores provided with livelihood opportunities and financial credit (for sari-sari stores) by 2030.**
- **Diverse workforce all enjoying access to social safeguards and dialogue, and competency development by 2025.**

2024:

- **More than 1,400 Independent Brand Experts are part of Monde Nissin's CDN**
- **100% of employees with above minimum wage**
- **100% of employees with medical benefits**
- **35% female workers in the workforce**
- **55% female in management positions**
- **12 average training hours per regular employee**

2023:

- **More than 1,200 Independent Brand Experts are part of Monde Nissin's CDN**
- **100% of employees with above minimum wage**
- **100% of employees with medical benefits**
- **35% female workers in the workforce**
- **51% female in management positions**
- **16 average training hours per regular employee**

Priority SDG:

8 DECENT WORK AND ECONOMIC GROWTH

Empowering Our Employees

We aim for a diverse workforce where all enjoy access to social safeguards, open dialogue, and competency development by 2025.

Nurturing our workforce is key to creating in Monde Nissin a positive culture where everyone can reach their full potential. By embracing change and fostering a continuous learning mindset, we empower our employees to contribute innovative ideas that drive sustainable solutions. Collaboration with empathy means we work together towards shared goals, valuing diverse perspectives to overcome challenges. Through Care with Action, we prioritize the wellbeing of our people, knowing that a Better Me leads to a Better Monde, *Making Better Possible*® for all.

Our Progress

We recognize that our employees are the driving force behind our continued success and growth. Our supportive work environment reflects this understanding, creating a culture where agility, collaboration, empowerment, and inclusivity are at the forefront. When our people thrive, the Company thrives, so we focus on fostering a workplace where diverse talents come together, innovate, and contribute to our shared success.

Our policies and programs are designed to attract, develop, and retain top talent by offering opportunities for career advancement, flexible work arrangements, competitive benefits, and a strong commitment to employee well-being.

We see to it that our employees are supported in every step of their journey with us, which helps build a culture of loyalty and engagement. As a result of our work environment and culture, we proudly recorded a 7% attrition rate for 2024— significantly lower than the national average attrition rates of 14% in 2022 and 16% in 2023— reflecting our workforce's satisfaction with and long-term commitment to the Company.

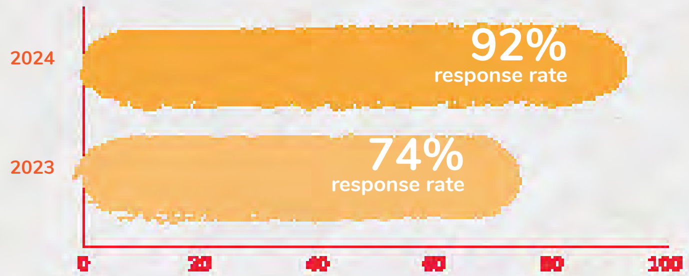
Monde Nissin actively incorporates employee feedback into its sustainability initiatives through the *Making Better Possible*® campaign, aligning employees with its sustainability goals.

Employees are encouraged to volunteer and actively participate in sustainability efforts through various engagement opportunities. This enables them to play a key role in driving positive change that supports the Company's corporate aspirations and strategic pillars.

Monde Nissin conducted a Pulse Survey to strengthen employee engagement and empower employee voices. This feedback tool assessed key areas such as workplace engagement, leadership, growth opportunities, and overall employee experience. The survey results provide valuable insights that help shape future programs that enhance employee wellbeing and foster a more supportive work environment.

In 2024, the Pulse Survey achieved a remarkable 92% response rate, surpassing the industry standard of 75% by 17%. This marks a significant improvement over the previous year's Engagement Survey, which had a response rate of 74%. The increased participation reflects a growing trust among employees in our commitment to act on their feedback, highlighting the importance of open communication and continuous improvement within Monde Nissin.

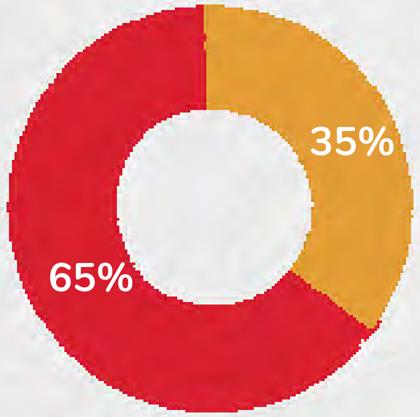
Pulse Survey result (versus 75% industry benchmark)



Employee Diversity

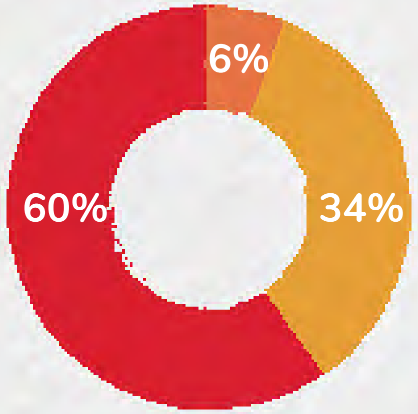
GRI 2-7, 405-1

Employees by Gender



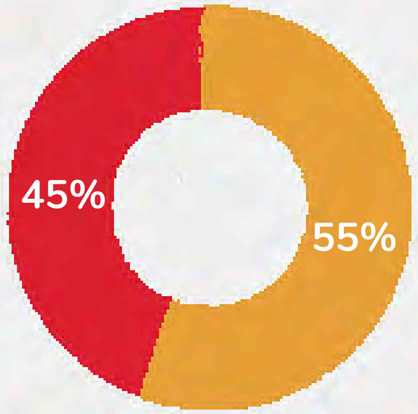
female workers in the workforce
male workers in the workforce

Employees by Age Group



>50 years old
30-50 years old
<30 years old

Employees in Management Positions



female workers in management positions
male workers in management positions

At Monde Nissin, we aim to provide our employees competitive salaries above the minimum wage, comprehensive medical benefits, and continuous development programs. We also strive to cultivate a diverse workforce that embraces various perspectives from different demographics. Key factors such as enhanced collaboration and improved data management have contributed to the growth and success of our employee training programs, which have steadily evolved since 2021.

In 2024, women comprised 55% of managerial positions and 56% of Board roles, reinforcing our dedication to fostering gender diversity and inclusive leadership within the Company.

Social Safeguards in 2024

of employees with above minimum wage and medical benefits

Workplace Safety

0.37

Total Recorded Incident Rate (TRIR)

Competency Development in 2024

GRI 404-1

27,681

total training hours

12

average training hours per regular employee

Our Actions

In August 2024, our People and Culture (P&C) department issued a Safe Spaces Act Memorandum that reinforced our commitment to diversity and inclusion by promoting a work environment where employees can express themselves freely without fear of retaliation. With seven key components, including recognizing boundaries, education, and thoughtful communication, the memorandum promotes the creation of an atmosphere where employees feel valued, respected, and free from discrimination or bias. Monde Nissin provides confidential one-on-one sessions, and anonymous whistleblower and feedback channels through the Ethicspoint online portal, allowing sensitive issues to be addressed in a trusted space.

Equal Opportunities

Our hiring process, led by our P&C department, adheres to equal opportunity and non-discrimination principles to attract a diverse workforce. To further diversify our applicant pool, we collaborate with local government units and organizations to host job fairs near our manufacturing plants, extending opportunities to various communities.

While we already maintain safeguards against discrimination, we are focused on collecting data to benchmark and improve our diversity performance.

Monde Nissin promotes inclusion and psychological safety within teams, so that different voices are heard and valued. This creates an environment where diverse perspectives drive richer discussions and innovative solutions.

Our commitment to inclusivity is further reflected in our support for International Women's Month, our observance of which included a Women's Forum focused on "Inclusiveness at Work," fostering meaningful discussions on creating a more inclusive workplace.

Envisioning a Learning Organization

In 2024, we made significant strides in advancing our commitment to competency-based learning and development. Building on our existing Learning and People Development workflow, we began planning and designing competency-based learning programs, which will be deployed in 2025.

The Monde Nissin Academy evolved into the Monde Nissin Learning Campus, reflecting our broader vision for an integrated learning ecosystem encompassing organizational culture, technical expertise, and leadership development. We expanded our learning portfolio with key initiatives, including launching two Franklin Covey programs, "The 7 Habits for Highly Effective People" and "The 6 Critical Practices for Leading a Team," rolled out across manufacturing, corporate, and commercial teams.

A significant milestone was the introduction of our in-house program, *Journey to Our Aspiration*, which strengthens our organizational culture and has been piloted to over 120 employees at various levels. To further support continuous learning, we collaborated with LinkedIn Learning, providing on-demand access to a wide range of development resources.

In line with our updated Monde Nissin competency framework, we focused on aligning our learning programs with organizational needs, driving skill development, and maintaining a commitment to measurable outcomes and training effectiveness.

Our Top Learning and Development Programs

GRI 404-2

Building upon our firm foundation from 2023, Monde Nissin has continued to enhance and scale our learning and development initiatives throughout 2024, achieving significant progress across our key programs:

- **Gallup Strengths Program:** In 2024, the Gallup Strengths Program was strategically enhanced to target the development of core employee competencies. The program reached previously untapped groups and engaged with 167 employees for the year. This expansion strengthened our focus on emotional intelligence, helping participants gain deeper insights into team dynamics and their own strengths.
- **Gung Ho! Series:** The Gung Ho! Series continued to foster a positive and purposeful workplace culture, successfully delivering the program to 217 employees across various functions.
- **Coaching for Growth Program:** We introduced the "Coaching for Growth" program, a key evolution from the "Coaching for Leaders" program launched in 2023. This shift brings a more comprehensive approach to leadership development. The new program utilizes two coaching models: the Grow, Reality, Options, and Wrap-up (GROW) model, which focuses on horizontal coaching for solution-finding, and our proprietary Begin with the Objective, Establish New Paradigm, Set the Next Steps, and Take Accountability (BEST) model, which focuses on vertical coaching to foster transformational leadership development. The program was piloted with 21 leaders, reinforcing our commitment to effective, growth-driven leadership.
- **Accelerating Leadership Learning Program (ALLP):** The ALLP progressed through its second semester in 2024. This 18-month leadership development initiative provides essential experiential learning and executive coaching for our senior talent pipeline.
- **Toastmasters Program:** We expanded our internal Toastmasters program by chartering two additional clubs at different organizational sites. This growth significantly increased opportunities for employees to enhance their public speaking and leadership communication skills.

We also strengthened our technical competency development in 2024 through ongoing collaborations with internal subject matter experts. Notable programs included the Operational Excellence College for the Product Supply team, Junior Supply Network Academy for the Supply Network team, and Sales Finance for the Commercial team, aligning our functional expertise with industry standards.

FEATURE STORY:

Building Cultural Excellence Through Transformative Learning Programs

Gung Ho! Series: Two Decades of Fostering Purpose-Driven Growth

For over 20 years, the Gung Ho! Series has been central to Monde Nissin's commitment to employee development, promoting joy at work and purpose-driven journeys for new hires. After a brief pause during the pandemic, the program resumed in 2023 and impacted 217 employees in 2024. It includes Gung Ho!, a foundational program, and Gung Ho! Impact, which builds on the first.

The Gung Ho! program aligns new hires with our culture and values. Over time, it has become part of our organizational heritage, with participants sharing stories across generations. In 2023, Gung Ho! Impact was introduced to help employees refine their character, competence, and connections, preparing them for opportunities through personal reflection and storytelling.

The program also extends beyond employees as seven trade collaborators participated in 2024, furthering our dedication to growth within our entire business ecosystem.

Journey to Our Aspiration: Bridging Past, Present, and Future

Launched in late 2024, Journey to Our Aspiration connects employees with Monde Nissin's history and aspirations. This program helps communicate our evolved commitments after becoming a publicly-listed company in 2021. Through storytelling and workshops, participants explore our origins, values, and their role in achieving our shared vision.

Synergy in Cultural Development

Together, these programs strengthen our cultural foundation. Gung Ho! focuses on personal development, while Journey to Our Aspiration ties individual growth to our organizational goals, securing that our values endure as we evolve.

Labor Relations

Monde Nissin recognizes the importance of fostering working relationships based on trust and respect among all employees, facilitated through platforms for expressing concerns and communicating with management.

Our quarterly department-level town hall meetings bring together union officers, workers, and management to discuss issues and develop actionable solutions. These meetings, along with other engagement programs, cultivate stronger labor relations.

We continually enhance our collective bargaining agreements (CBAs), noting the successful negotiations held in April 2024. These negotiations balanced employee benefits and welfare with the Company's economic considerations, resulting in improved compensation and benefits packages. Such efforts further strengthen the collaboration between workers and management.

We likewise established the Employee-Management Engagement Committee across various plant locations, which opened a venue for employees to recommend productivity engagement activities to accomplish our goals using mutually beneficial means. Through regular meetings, their discussions help build a diverse and passionate committee rallying strong employee-management engagement.

We also expanded training programs focused on the Code of Conduct and Discipline, Due Process, How to Handle Employee Discipline, and Data Privacy Orientation to enhance adherence to labor and/or applicable laws.

Monde Nissin upholds the provisions of Presidential Decree 442, as amended, or the Labor Code of the Philippines, particularly adhering to Article 137 on the Minimum Employable Age. We strictly follow the Labor Code's stipulations and enforce an Anti-Modern Slavery policy that condemns the hiring of underage workers, as well as the use of forced, bonded, and involuntary labor, enforcing our commitment to a workforce that operates with integrity and respect for human rights.

Monde Nissin's significant rise in the Statista Philippine Daily Inquirer survey of the Philippines' Best Employers for 2024 reflects our efforts. We climbed from Rank 57 to Rank 26 and secured the top spot in the Food, Soft Beverages, Alcohol, and Tobacco industry. This recognition highlights our dedication to fostering a workplace that values wellbeing, growth, and inclusivity.

Monde Nissin also placed 9th in Prosple's Top Employers for Fresh Graduates (in the Retail and Consumer Goods Industry), an acknowledgment of our focus on supporting fresh graduate talent through the provision of comprehensive training programs and clear career pathways.

FEATURE STORY:

KaSulong Awards

At Monde Nissin, we recognize the hard work, passion, and dedication of our people who consistently embrace and promote our company values. Our inaugural KaSulong Awards, held in November 2024, was more than just a celebration of individual and team achievements—it marked a cornerstone in establishing a culture of recognition and excellence deeply ingrained in our organization's identity.

The recognition program celebrated our employees' milestones while inspiring a future driven by our core values as we work toward our shared goals and aspiration.

Out of 38 group entries across all our plant sites, 10 teams successfully met the shortlist criteria, earning awards that include categories aligned with our three core values: Continuous Learning with a Growth Mindset, Care with Action, and Collaboration with Empathy.

An entry from our Santa Rosa plant site, selected from four individual submissions, also won the Sustainability Champion award, further highlighting our commitment to environmental and social responsibility.

Whether demonstrating our core values or excelling in areas like innovation, operational improvements, customer relationship building, or sustainability leadership, these awards honor those who truly embody our company values.

By recognizing the achievements of Monde Nissin employees, the KaSulong Awards not only celebrate individual and team milestones but also inspire a more value-driven future for the organization.

Occupational Health and Safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

Our Occupational Health and Safety (OHS) system remains compliant with RA No. 11058 (An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof) and its Implementing Rules and Regulations under the Department of Labor and Employment's Department Order 198-18, abiding by the Philippine Department of Labor and Employment - Occupational Safety and Health Standards (DOLE-OSHS) and aligned with the United States' Occupational Safety and Health Administration (OSHA) for general guidance on safety standards.

Our safety guidelines, outlined in the OHS Program Manual, apply to all employees in the workplace. These standards follow a hazard identification, risk assessment, and control (HIRAC) procedure reviewed annually. We implement key OHS practices, including Lockout Tagout (LOTO), Daily Directional Setting (DDS), Root Cause Analysis (RCA), Mandatory 8-Hour Safety, Health Seminars for All Workers (MESH), Work Permit System, Work Environment Measurement (WEM), emergency drills, regular drumbeats, and safety system health checks. For proper implementation, our Safety Officers and employees undergo OHS training, and union representatives meet monthly with Safety Officers to address safety concerns. In the event of an incident, an investigation is conducted, and an initial action plan is reported within 24 hours, with the final plan reviewed by the Safety Committee.

As part of our OHS program, we provide health services through Occupational Health physicians and nurses at our plant sites, along with emergency services. Our employees also have access to a comprehensive health benefit plan, which includes free consultations with our company physician, health maintenance organization (HMO) plans, and free online mental health consultations.

In 2024, Monde Nissin advanced our commitment to occupational health and safety by strengthening our operations' risk management, employee

engagement, and safety culture. As part of these efforts, we began preparations for the Transcend Work System (TWS) Phase 0 in our Davao plant site, guided by zero-loss principles and full employee engagement, with safety as the foundation of Product Supply. The Health, Safety, and Environment (HSE) Pillar introduced key tools for incident elimination, including communicating safety triggers before work shifts.

To further enhance proactive risk management, we introduced the Quick Risk Prediction and Multi-Cause Analysis tools to manage potential risks, enabling us to effectively define incident categories and reduce first aid cases in 2024. We reinforced the Behavior Observation System (BOS) to eliminate critical behaviors that may lead to accidents and reinforce safe habits among personnel. Additionally, our newly implemented Ongoing Feedback System (OFS) extends beyond BOS by addressing all behaviors at any time and location within the plant, fostering an interdependent safety culture.

As we further enhance our OHS procedures, Monde Nissin remains committed to the safety and wellbeing of our employees. Our approach is rooted in shared responsibility, proactive risk mitigation, constant monitoring, data-driven decision-making, strong training and communication, leadership commitment, adaptability, and employee recognition to foster a positive safety culture.

Better Me, Better Monde!

Monde Nissin's Better Me, Better Monde! campaign emphasizes the importance of overall wellness, encouraging employees to prioritize their wellbeing in a way that fosters a more balanced and fulfilling lifestyle.

1 Physical

Physical wellness programs focus on enhancing or preserving the health of employees and stakeholders by promoting proper nutrition, regular exercise, preventive measures, and informative sessions.

2 Family

The Company embraces a family-oriented approach and supports Family Welfare by organizing events that honor employees' families.

3 & 4 Social and Volunteerism

Monde Nissin's Social Wellness and Employee Volunteerism programs foster strong relationships among employees and their communities through various engagement activities.

5 Mental

The Company prioritizes employees' mental wellness by offering free online mental health services through its healthcare provider and free mental health webinars.

6 Spiritual

Spiritual Wellness programs aim to support employees' intrapersonal wellbeing through initiatives such as personal retreats.

7 Financial

Financial Wellness programs focus on activities and events to enhance employees' financial literacy.

Scaling Up Inclusive Growth in Communities

We aim to provide 5,000 Independent Brand Experts and 25,000 sari-sari stores with livelihood opportunities and financial credit, respectively, by 2030.

We aim to share the economic value of our business through Monde Nissin's supply chain and CDN. Through consistent financial management, fulfilling our obligations, and creating business opportunities for local workers, we continue to drive economic benefits to our operating regions.

FEATURE STORY:

Monde Nissin, Hapinoy Celebrate First Batch of Graduates from Sari-Sari Store Upskilling Program

In 2024, we celebrated a major milestone with the graduation of our first batch of beneficiaries from the "45@45 Sari-sari Store Enablement Program" under our Tulong Sulong campaign. This program, created in collaboration with Hapinoy, helped 40 sari-sari store owners participate in online training modules called "Hapiskwela" as part of Monde Nissin's 45th anniversary celebration. Participants also received packages that included inventory grants, store merchandise, and marketing materials.

Atty. Olive Misa, Head of Corporate and Government Affairs, shared during the event at Monde Nissin's office: "Monde Nissin is now part of over 95% of Filipino households, thanks to the trust of many stores that sell our products." She thanked the participants for their support and dedication in completing their training, emphasizing ongoing collaboration with the sales team for continued guidance.

Hapinoy President Mark Ruiz also expressed gratitude: "We thank our participants for their hard work during the Hapiskwela programs. We hope you use what you've learned to achieve your dreams and grow your businesses."

Graduates shared their experiences with the Hapiskwela modules. One beneficiary, a former Business Process Outsourcing (BPO) employee, highlighted the greater opportunity in owning a business compared to lifelong employment and appreciated the guidance and training on managing cash flow.

As part of our ongoing commitment to inclusive growth, Monde Nissin will continue to work with Hapinoy to set up five new sari-sari stores in collaboration with agricultural cooperatives and community organizations in key areas across Ilocos Norte, Ilocos Sur, the Negros Region, and Davao Region.

Our Progress

The CDN Program grew to over 1,400 Brand Experts at the end of 2024, with expanded reach to more cities in Luzon and its first dealer in Visayas.

Community Distribution Network (CDN) in 2024

More than

1,400

Independent Brand Experts are part of Monde Nissin's CDN

26

dealers in Luzon

Our Actions

Our CDN growth is fueled by strategic collaboration with dealers and a determined effort to make our products available to more consumers across the country. We are consistently working to extend our presence and better serve communities and consumers alike.

Community Distribution Network (CDN)

GRI 413-2

Monde Nissin's CDN remains a key initiative in building a sustainable value chain, where Independent Brand Experts can generate additional income by reselling Dutch Mill Delight and Monde Bread products to local communities across the Philippines. As an alternative market distribution platform, the CDN balances market needs with profitability for our stakeholders.

The number of Independent Brand Experts grew to over 1,400 in 2024, up from more than 1,200 in 2023, providing even more Independent Brand Experts with opportunities to earn additional income.

Economic Value Creation

Monde Nissin plays a crucial role in driving local economic growth through job creation, reducing unemployment, stimulating economic activity, supporting local businesses, and contributing as a leading taxpayer in our communities. We closely monitor our economic performance through regular profit assessments and management reviews, securing steady value generation that allows us to continue offering resources and opportunities to communities in need.

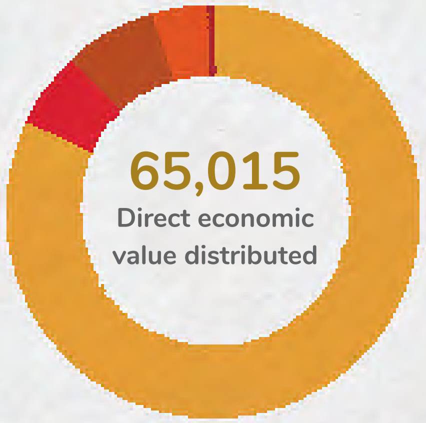
To manage our financial resources, we proactively address risks such as inflation, competition, and changing market conditions through prudent fiscal strategies and sound decision-making.

We continue to enhance our business performance by investing in innovation, operational efficiency, and market expansion. These efforts include improving processes, developing new products to meet consumer needs, and optimizing our operations to support our economic contributions further.

Direct Economic Value Generated and Distributed
(in Million Php)

GRI 201-1

65,801
Direct economic value generated (revenue)



53,285 Operating costs

3,796 Employee wages and benefits

4,803 Payments to providers of capital

3,077 Payments to government

55 Community investments

Responsible Sourcing

GRI 201-2, 308-1, 308-2, 414-1, 414-2
SASB FB-PF-250a.2, 430a.1, 430a.2

Monde Nissin recognizes our responsibility to prioritize local suppliers and promote inclusive, sustainable practices across all our operations. We hosted a Suppliers' Sustainability Roadshow in January 2024, where we shared Monde Nissin's sustainability policy. This event served to raise awareness among suppliers of our sustainability goals, communicate expectations, share best practices, and strengthen collaborations to build a more sustainable supply chain.

In 2024, we also updated our Procurement Policies to include a Supplier Code of Conduct (SCOC), which incorporates sustainability programs focused on compliance, ethics, labor laws, environmental responsibility, quality, and safety. The SCOC will be cascaded to all suppliers by the first quarter of 2025 to align them with our sustainability standards.

To further support sustainable practices and our use of sustainable raw materials, we began exploring local salt sourcing in 2024. We launched the ASIA First Program that focused on sourcing raw and packaging materials from nearby Asian countries. This initiative reduces supply chain risks and supports our sustainability goals by cutting carbon emissions.

We also aim for business sustainability and continuity by being flexible in the use of our raw materials. This means that even in the face of global supply chain disruptions and operational challenges due to climate change, we can continue running our production plants. By maintaining alternative materials for critical ingredients, we establish uninterrupted operations. Our goal is to achieve full flexibility for key raw materials by the end of 2027.

Monde Nissin is actively exploring potential collaborations and suppliers to source agricultural raw materials from local farmers and cooperatives. We are committed to fostering these connections to support local agriculture and contribute to regional economic growth.

We support small and medium-sized enterprises (SMEs) through the Supply Chain Financing (SCF) scheme in collaboration with an international bank.

This program offers early payments to suppliers, improving their cash flow and encouraging sustainable practices. Through these initiatives, we strengthen local economies, promote sustainability, and drive long-term positive impact through a more inclusive supply chain.

Making Collective Action Possible

GRI 2-25, 3-3

The 17th UN SDG underscores the importance of collaboration in addressing global challenges, calling on countries, businesses, and organizations to take collective action. However, fostering meaningful collaborations comes with challenges, including aligning diverse interests, maintaining long-term engagement, and navigating complex regulatory and economic landscapes.

At Monde Nissin, we are guided by our core values of *Collaboration with Empathy and Care with Action*. We strive to embrace diversity, consider different perspectives, and foster open communication to drive shared success. However, we recognize that building stronger and effective collaborations requires continuous effort, trust-building, and adaptability.

Our fourth strategic pillar, **Making Collective Action Possible**, reflects our commitment to working together to create sustainable solutions for food security, environmental stewardship, and social well-being. We constantly strengthen our collaborations—both within and beyond our Company—so that our collective efforts remain aligned and contribute to meaningful, lasting impact for future generations.

NORTH STAR TARGET OVERVIEW

Making Collective Action Possible

North Star Target:

100% of employees observing that sustainability is embraced in the way people act and decide in the Company by 2030.

2024:

- **100%** of the Monde Nissin sites are actively contributing to the wellbeing of their local communities through environmental and social initiatives.
- Collaborated with **10** new organizations to amplify our collective impact on sustainable development
- Sustained collaborative efforts with **15** organizations, demonstrating our commitment to long-term engagement and shared goals in our communities and environment

2023:

- **82%** of employees have a positive image of Monde Nissin's social initiatives*
- **70%** of employees have a positive image of Monde Nissin's environmental initiatives*

Priority SDG: 17 PARTNERSHIPS FOR THE GOALS

*Data is based on a survey conducted by Willis Towers Watson, distributed to Monde Nissin employees to assess the Company's sustainability practices.

Advocating for the Better: Engaging our Stakeholders

By 2030, our goal is for 100% of our employees to embrace sustainability in their actions and decision-making within the Company.

On our Making Better Possible® journey, we recognize that Making Collective Action Possible extends beyond the walls of Monde Nissin's offices, plant sites, and employees. Creating an enabling environment and continually developing a strategic network of collaborations foster cooperation towards achieving shared goals.

This year, we celebrate our collective achievements, not only in collaboration with the KaSulongs of Monde Nissin but also with our organizational collaborators, as we deliver positive social and environmental impacts for people and the planet.

Our Progress

With continuous dedication, we work towards Making Collective Action Possible through regular employees' engagement in our sustainability journey, and various collaborations that support the delivery of the targets from Pillars 1 to 3, and the Tulong Sulong Program.

We've come a long way in our journey to build a community that embraces sustainability since we started in 2021. In our constant efforts to engage and educate our employees on how we can progress our environmental sustainability efforts, we've continued our collaboration with Philippine Business for Social Progress (PBSP) to participate in the X-Trash Challenge 2024. Through this initiative, PBSP, in partnership with Basic Environmental Systems & Technologies, Inc. (BEST), encourages individuals and organizations to adopt responsible waste management and recycling practices. From May to September 2024, Monde Nissin employees demonstrated their commitment to environmental sustainability by collecting a total of 1,360 kg of recyclable materials. This significant contribution highlights the Company's dedication to reducing waste and promoting a circular economy.

Our 2024 Sustainability Week was celebrated across all plant and office sites last November. This event served as a tangible demonstration of the Company's commitment to sustainability and a vehicle for driving the cultural shift needed to embed sustainable practices into everyday actions and decisions. As part of our Luntiang Lunes Program, we invited local taho vendors and Dr. Susana Balingit, Wellness Doctor of The Farm at San Benito, to our event to promote sustainable food systems.

A Lunch and Learn featuring GMA 7's Republika ng Plastic documentary and a video message from Mr. Atom Araullo provided insights into the complex issue of plastic pollution in the Philippines. In collaboration with Religiões pela Paz Brasil and Iniciativa Inter-Religiosa Pelas Florestas Tropicais, an immersive virtual reality experience that transported employees to the Amazon rainforest was set-up, raising awareness on the rainforest's ecological importance and the critical need for its protection.

Finally, since a Better Me is also a significant part of Making Better Possible®, our Sustainability Week celebration concluded with a 45km Virtual Run. The event featured challenges that encouraged employees to pick-up trash, compute their personal carbon footprint, and create personal pledges on how they can individually and collectively act to make better possible.

Equally significant progress was achieved in Making Collective Action Possible through our Tulong Sulong. The program started as a campaign in driving positive impact through collaboration with both internal and external associates, advancing people, the planet, and communities. In 2024, we continued this program as a platform to engage and mobilize people to demonstrate Care with Action, exercise servant leadership in addressing important societal issues related to nutrition, nature, and community empowerment, and contribute to nation-building.

Driven by our strong collaboration with our P&C team, our KaSulongs actively engaged with local government units and Civil Society Organizations (CSOs) near our manufacturing sites in Porac (Pampanga), Santa Rosa (Laguna), Malvar (Batangas), Mandaue (Cebu), and Davao (Davao). Throughout the year, we collaborated on coastal clean-up drives, tree planting initiatives, various outreach programs, and donation drives for calamity victims through the Tulong Sulong sa Pagbangon.

Our Share-A-Lucky Meal Project, a 2023 initiative under our Tulong Sulong Program, was successfully completed in mid-2024. In collaboration with PBSP and our KaSulongs, we provided 120 days of supplementary meals to over 400 children under five years old at seven Child Development Centers (CDCs) in Barangay Pineda, Pasig, and Barangay Caingin, Santa Rosa, Laguna.

The Tulong Sulong Program is designed to create a positive impact not just on our employees but also in local communities and to contribute to national development.

Our Actions

Aside from employee engagement, we recognize that Making Collective Action Possible can only become a reality when collaborations are forged both within and outside our value chain. Hence, strategic networks and cross-sectoral collaborations are essential in this journey. We continued to actively engage with the Net Zero Carbon Alliance (NZCA), a coalition of "like-minded environmentally conscious businesses," to support our continuous learning as part of our commitment to reduce our GHG emissions in our manufacturing operations. Monde Nissin collaborates with the alliance in advocating for initiatives that drive transformation as sustainability champions of the private sector.

As one of the members of PARMS and through the collaboration with PCX, we were able to go above and beyond the compliance requirements of the EPR Law on its first reporting year, mobilizing significant financial resources to recover and divert post-consumer plastic wastes away from nature, while benefitting local communities.

Hapinoy was another key collaborator in 2024 that supported our goal to make better possible for the local communities. As a social enterprise that helps sari-sari store owners through "education, linkages to capital, new business opportunities, and technology enablement," Hapinoy was a valuable collaborator for Monde Nissin for us to launch the 45@45 Sari-Sari Store Enablement Program.

FEATURE STORY:

Empowering Women and Transforming Communities

In fulfilling our obligations under the EPR Law, Monde Nissin collaborated with PCX and HOPE to support the Aling Tindera Program, enabling sustainable income for women across the Philippines while driving community transformation. This initiative advances a circular economy amidst the plastic crisis. Beyond simply meeting EPR requirements, Monde Nissin achieved 100% post-consumer plastic waste diversion in 2023 and stayed committed to maintaining this standard in 2024.

The program encourages responsible plastic collection and disposal in communities, turning waste into valuable resources. Sari-sari stores owned by micro-entrepreneur women serve as collection points, helping divert waste from landfills and waterways. This initiative not only protects the environment but also creates a vital source of income for the participating women.

The Aling Tindera Program goes beyond income generation; it fosters community engagement and helps build a more sustainable future. By providing women with the necessary tools and resources, the program creates opportunities for economic independence and breaks down barriers.

The program's impact extends beyond household income by reducing plastic pollution and encouraging responsible waste management, contributing to a healthier environment. It aligns with the UN SDGs, addressing poverty, gender equality, and environmental sustainability.

Serving as a powerful example of how businesses can create positive social impact, the Aling Tindera Program reflects Monde Nissin's commitment to sustainability. It enhances economic status and transforms communities, demonstrating that businesses can be a force for good, with a ripple effect that goes far beyond the bottom line.

Monde Nissin is represented in the Board of the Save Silang-Sta. Rosa River (S3R2) Foundation, a multisectoral CSO primarily aimed at rehabilitating and protecting the riverways connecting Santa Rosa and Biñan, Laguna and Silang, Cavite. We take part in advocacy campaigns and social mobilizations to increase awareness and inspire action in taking care of the sub-watershed.

Lastly, as one of the governor companies of the World Instant Noodles Association (WINA), we actively collaborate with global industry leaders to champion sustainability as a key driver of business longevity and societal impact. In 2024, through joint efforts with other WINA governor companies, the WINA Challenge Target (WCT) was approved for publication. The WCT establishes voluntary goals to tackle critical global issues and foster a more sustainable future for the instant noodle industry by making products healthier and more responsive to environmental and social concerns. These targets focus on key areas such as nutrition and health, environmental sustainability, food safety, and social responsibility.

Monde Nissin's 2024 actions demonstrate a strong commitment to Making Collective Action Possible and achieving our North Star Target. Through strategic collaborations with organizations like PBSP, BEST, PCX, and local government units, we have fostered collective efforts to address critical sustainability challenges. These collaborations, combined with impactful programs like the X-Trash Challenge, Sustainability Week, and the Tulong Sulong program, have enabled us to make significant strides across our sustainability pillars.

FEATURE STORY:

Monde Nissin Partners with PUSO Foundation to Support Aeta Students in Porac, Pampanga

In a heartwarming collaboration, Monde Nissin collaborated with the Purposeful Unconditional Service to Others (PUSO) Foundation for a mission trip to support Aeta students in Barangay Diaz, Porac, Pampanga. This initiative highlights both organizations' shared commitment to uplifting local communities through volunteerism and providing essential resources for a brighter future.

PUSO Foundation, a nonprofit organization dedicated to empowering communities through purposeful service, led the mission with teams from the USA and the Philippines. The team visited Diaz Elementary School with employee volunteers from the Monde Nissin Porac plant site to support the Aeta students for the 2024-2025 academic year.

The initiative is a part of Monde Nissin's broader commitment to corporate social responsibility through our Tulong Sulong program, which encourages employee volunteerism and facilitates impactful outreach projects across the country.

The volunteers from Monde Nissin, many of whom were from the Kapampangan region, engaged with the children through various activities, such as reading stories, playing games, dancing, and breaking down communication barriers with joy and laughter. The teachers of Diaz Elementary School also played an integral role in bridging the gap and facilitating the interactions.

The event culminated with the distribution of school supplies, hygiene kits, clothes, school uniforms, and Nissin Biscuit snacks such as Butter Coconut, Eggnog, and Breadstix, bringing smiles to the faces of the students.

This collaboration highlights the power of cooperations in driving sustainable development and cultural preservation. By joining forces, Monde Nissin and PUSO Foundation created a meaningful impact, enhancing lives and promoting community empowerment. Monde Nissin reaffirms our commitment to supporting Filipino communities through this initiative, combining product contributions with hands-on engagement to create lasting, positive change for future generations.

Contributions to the UN Sustainable Development Goals

Our journey toward a sustainable and equitable future is rooted in our core values of collaboration, innovation, and dedicated action. Guided by these core values, we align our initiatives, including continuous product and technological innovations, fostering social inclusion, driving responsible production and consumption, and promoting environmental stewardship, with global sustainability efforts and the UN SDGs.

SUSTAINABLE DEVELOPMENT GOALS

2 ZERO HUNGER

- 77% revenue share of fortified products
- 39% revenue share of sodium-reduced noodle products*

8 DECENT WORK AND ECONOMIC GROWTH

- More than 1,400 Independent Brand Experts are part of Monde Nissin's CDN
- 100% of employees with above minimum wage
- 100% of employees with medical benefits
- 12 average training hours per regular employee
- Educational opportunities and capital grants are provided to 40 Sari-sari stores across the country and 5 Agriculture Cooperatives through the Sari-sari Store Enablement Program

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- 32% reduction in Scope 1 and Scope 2 GHG intensity
- 11% reduction in energy intensity
- 25% reduction in water intensity
- 99% of manufacturing wastes was diverted from landfills
- 94% mono-material packaging material (in terms of volume)**
- 100% recovery and diversion of equivalent post-consumer plastic waste from nature

13 CLIMATE ACTION

- 1 site equipped with solar panels (Santa Rosa Plant Site)
- 4 of 5 sites and 92% of Monde Nissin products were produced in manufacturing plants powered by geothermal electricity (Malvar, Mandaue, Porac, Santa Rosa)
- 91% of Monde Nissin's electricity consumption was from renewable sources
- 50 fruit-bearing trees and 150 mangrove trees planted (Porac and Davao sites respectively)

17 PARTNERSHIPS FOR THE GOALS

- 100% of the Monde Nissin sites are actively contributing to the wellbeing of their local communities through environmental and social initiatives
- Collaborated with 10 new organizations to amplify our collective impact on sustainable development
- Sustained collaborative efforts with 15 organizations, demonstrating our commitment to long-term engagement and shared goals in our communities and environment

*The revenue shift in sodium-reduced products reflects the reformulation of select SKUs to improve product flavor, underscoring our commitment to continuous product innovation.

**Terminology used for the North Star target related to packaging was updated from recycle-ready to mono-material to provide a straightforward description of our goal.

Upholding Good Governance

GRI 2-25, 3-3

Monde Nissin commits to maintaining integrity in corporate governance and ethical conduct in all aspects of our business. We are confident that, with a skilled and well-informed workforce guided by a principled Board, we can successfully drive the Company's sustainability efforts forward.

Our adherence to corporate governance is reflected in our Articles of Incorporation, Amended By-Laws, Revised Manual on Corporate Governance (CG Manual), Code of Conduct and Ethics, as well as the charters of the Board and of its Board Committees. These documents along with the rest of our company policies integrate the principles and best practices outlined in the Revised Corporation Code of the Philippines, along with the corporate governance-related regulations of the SEC and the Philippine Stock Exchange (PSE). By embedding these governance principles across our key governance documents and adopting best practices throughout the organization, we reaffirm our commitment to the highest standards of corporate governance.

The Board plays a central role in promoting adherence to good corporate governance. The Board has approved the adoption of several key governance documents in line with the SEC's MC No. 19, Series of 2016, or the Code of Corporate Governance for Publicly Listed Companies (CG Code). These include the Board and Board Committee charters (i.e., the Board Charter, Audit Committee Charter, Risk and Related Party Transactions Committee Charter, Corporate Governance, Nominations, and Remuneration Committee Charter, and Executive Committee Charter), all of which guide the Board's control and oversight functions. Additionally, the Board has endorsed the CG Manual, Code of Conduct and Ethics, and other essential governance policies related to conflict of interest, data privacy, insider trading prevention, material related party transactions, whistleblowing, and sustainability. All of these key documents are publicly available on our website.

To encourage diverse perspectives and enhance governance, our Board comprises nine (9) members from varied professional and personal backgrounds. Six (6) are non-executive directors, providing adequate oversight over management. Reflecting our commitment to gender diversity, the Board comprises a majority of female directors, with five (5) women out of nine (9) members. Furthermore, one-third of the Board is made up of Independent Directors who are recognized in the business community for their competence, integrity, and probity. In line with leading corporate governance practices, the Board has (a) elected a Chairperson who is distinct from the President and CEO, (b) formed an Executive Committee with at least one Independent Director to safeguard the interests of minority shareholders, and (c) established Board oversight committees (Audit Committee, Risk and Related Party Transactions Committee, and Corporate Governance, Nominations, and Remuneration Committee), all of which are composed entirely of Independent Directors. The Board also appoints a Lead Independent Director from the three Independent Directors, per the CG Code's recommendations and consistent with the CG Manual.

Corporate Governance Policies

Our commitment to good governance is demonstrated through the regular reassessment of policies as mandated by relevant SEC-promulgated rules, regulations, and issuances applicable to publicly listed companies (e.g., those prescribed under SEC Memorandum Circulars 10-2019 [Rules on Material Related Party Transactions] and 11-2014 [Template for PLC's Websites], among others). Monde Nissin's SEC-mandated corporate governance policies are publicly available and readily accessible through our website.

Permits and Escalation Policy

Monde Nissin has put in place measures to align with the Permits and Escalation Policy launched by our Compliance function. This policy helps monitor the status and validity of governmental permits while establishing an internal reporting mechanism for concerns related to licenses and permits, securing pathways for timely action and enabling the disclosure of accurate announcements in accordance with relevant regulations.

Annual Trainings on Corporate Governance

In line with our CG Manual, the Board and the Management participate in annual training sessions focused on corporate governance. These sessions, which are even facilitated by leading governance training service providers in accordance with the recommendations of the CG Code, align our directors and our leadership team with the latest developments and best practices in governance, environmental, social, and governance (ESG) initiatives, and/or financial reporting.

Company Disclosure

We maintain transparency through our compliance with SEC and PSE disclosure rules. Our current corporate, regulatory, and financial disclosures are publicly accessible not only through the PSE Edge portal but also on our website. Our Articles of Incorporation, By-Laws, CG Manual, Code of Conduct and Ethics, Board and Board Committee Charters, and key governance policies are available to the public via our website.

Anti-corruption

Our ethical conduct and anti-corruption standards guide the actions of all stakeholders, including employees, collaborators, and suppliers.

Monde Nissin enforces a zero-tolerance policy toward bribery and corruption, including facilitation payments and kickbacks. We adhere to anti-bribery and anti-corruption laws and have implemented various initiatives to reinforce this commitment.

The Hotline Awareness Campaign has enhanced reporting and awareness of our Whistleblowing Policy, empowering employees and partners to report unethical behavior. Following this, participation in the reporting mechanism has demonstrated increased activity, and annual anti-bribery and anti-corruption refresher courses and certifications are regularly conducted. Collaborating with the P&C Learning and Development team, the Risk and Legal & Compliance departments see to it that all employees receive training. We also developed an animated, condensed module in Filipino for rank-and-file employees, aspiring to achieve 100% participation in our anti-corruption education.

Data Privacy

Monde Nissin is committed to safeguarding the security and privacy of the personal information of our employees, contract counterparties, distributors, suppliers, service providers, job applicants, and any individuals interacting with the Company (each, a Data Subject and collectively, the Data Subjects).

As a law-abiding organization, we adhere to the Data Privacy Act of 2012 (R.A. No. 10173) and its implementing rules and regulations, as well as guidelines and other issuances from the National Privacy Commission and other relevant agencies. Our General Privacy Policy governs customer privacy practices and is available on our website. Our Data Protection Officer (DPO) and Data Breach Response Team addresses any data breaches.

In July 2024, Monde Nissin renewed the registration of our critical data processing systems in compliance with the National Privacy Commission's (NPC) directive under NPC Circular No. 2022-04. Critical data processing systems were also registered and updated, with the NPC issuing a renewal certificate for these registrations.

We conducted online data privacy training for select critical personal information handlers in December 2024. The training reinforced our commitment to maintaining observance of best practices in data privacy across the organization. Monde Nissin's data privacy team likewise participated in seminars and trainings conducted by the NPC to keep abreast of recent developments in data privacy rules and regulations.

Enterprise Risk Management

In line with our commitment to improving risk management, Monde Nissin's Risk department, with support from the Corporate Internal Audit department, has implemented new filing and communication mechanisms for Enterprise Risk Management, standardizing and strengthening the documentation of risks across the Company.

Conflict of Interest

Monde Nissin adheres to its Amended Conflict of Interest (COI) Policy approved in 2023, which includes enhanced mechanisms for identifying and resolving perceived and actual COI cases.

The Amended COI Policy mandates an annual COI declaration for all employees to improve management, detection, and compliance. This process is reinforced by annual refresher courses on ABC and COI compliance, to foster continuing awareness and adherence to these important policies.

Data Security and Cybersecurity

As data security becomes increasingly vital, Monde Nissin prioritizes data privacy and protection through policies, measures, assessments, campaigns, and employee training.

In February 2024, we enhanced our cybersecurity framework by implementing the Security Operations Center (SOC) and Security Information and Event Management (SIEM) systems. These tools enable real-time monitoring and response to potential threats, strengthening our data protection.

SOC and SIEM enhance network visibility, enabling in-depth analysis and vital reporting for constant improvement and compliance. We prioritize cybersecurity through regular staff training, fostering a culture of awareness and active participation in safeguarding systems. The integration of SOC and SIEM demonstrates our commitment to protecting digital assets and maintaining client trust amid evolving cyber threats.

All employees participate in our mandatory Security Awareness Program, with new hires completing cybersecurity and IT policy training through in-house developed content.

Golden Arrows Recognition

Monde Nissin is proud to receive Three Golden Arrows for the second consecutive year at the 2024 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards. This recognition underscores our ongoing commitment to maintaining the highest standards of corporate governance, transparency, and accountability.

In 2023, Monde Nissin was also honored with Three Golden Arrows by the SEC, PSE, and the Institute of Corporate Directors (ICD). This recognition followed our first-ever Integrated Annual Corporate Governance Report (I-ACGR) in 2021.

The Three Golden Arrows distinction is awarded to companies scoring between 100 and 109 points on the ACGS, reflecting strong adherence to the Philippine Code of Corporate Governance and internationally recognized best practices.

Corporate governance remains at the core of our success, reinforcing our commitment to transparency, accountability, and responsible business practices.

Making Better Possible® with the Speak Up Awareness Program

At Monde Nissin, we believe that fostering a culture of openness, trust, and integrity begins with each of us. Our Speak Up Awareness Program is a key initiative that encourages employees to report any form of misconduct, including discrimination, theft, harassment, and bullying.

This program empowers employees to take an active role in upholding a respectful and accountable workplace. We create an environment free from bias and harmful behavior by ascertaining that concerns are heard, valued, and addressed.

With accessible and anonymous reporting through the Ethicspoint website or QR code, employees can confidently raise concerns. Every report is handled confidentially, investigated thoroughly, and resolved fairly—reinforcing our commitment to transparency and inclusivity.

Annexes

A. General Disclosures

Business Segments

GRI 2-6

Monde Nissin and all subsidiaries are collectively referred to as the Group. The Group's two core businesses are the APAC BFB business and Meat Alternative business.

APAC BFB Business

The Group operates the APAC BFB business through Monde Nissin and wholly-owned or majority-owned subsidiaries, as well as joint ventures and established collaborations with other renowned FMCG players. The APAC BFB business' three product groups have the following key brands:

- Instant Noodles: Lucky Me!
- Biscuits: SkyFlakes, Fita, M.Y. San Grahams, Bingo, and Nissin
- Other Products: Mama Sita's, Dutch Mill, Monde, and Walter Bread

Meat Alternative Business

Quorn is Quorn Foods' flagship brand where we market and sell mycoprotein-based products, an alternative to beef, pork, poultry, and fish, in all key shop aisles, namely frozen, chilled, and food cupboards. Plant-based products, on the other hand, are marketed and sold under the Cauldron brand.

Quorn products are available in the UK, Republic of Ireland, US, Europe (including Belgium, France, Spain, Luxembourg, The Netherlands, Germany, Switzerland, Italy, and Austria), Nordics (Norway, Sweden, Denmark, Finland), Southeast Asia, and Australasia, while Cauldron products are sold in the UK and Republic of Ireland.

To view Quorn's Net Positive Report, visit this link.

Membership Associations

GRI 2-28

Membership
Good Governance Advocates and Practitioners of the Philippines (GGAPP)
Institute of Internal Auditors-Philippines (IIAP)
Management Association of the Philippines (MAP)
Net Zero Carbon Alliance (NZCA)
People Management Association of the Philippines (PMAP)
Philippine Alliance for Recycling and Materials Sustainability (PARMS)
Philippine Association of Food Technologists, Inc. (PAFTI)
Philippine Business for Social Progress (PBPSP)
Philippine Chamber of Food Manufacturers, Inc. (PCFMI)
Philippine Institute for Supply Management (PISM)
Philippine Society for Microbiology (PSM)
Philippine Society for Talent Development (PSTD)
Scaling Up Nutrition Business Network
World Instant Noodles Association (WINA)

Activity Metrics

SASB FB-PF-000.A, 000.B

Disclosure	UOM	2024
Weight of products sold	tonnes	260,633
Number of production facilities	#	5

B. Economic Disclosures

Economic Performance

GRI 201-1

Disclosure	UOM	2024
Direct economic value generated and distributed		
Economic value distributed	Million Php	**65,015**
Operating costs		53,285
Employee wages and benefits		3,796
Payments to providers of capital		4,803
Payments to the government		3,077
Community investments		55

Procurement Practices

GRI 204-1

Disclosure	UOM	2024
Procurement budget used for significant locations of operations that is spent on local suppliers[1]	%	35

[1]Local is defined as items procured through a local transaction with a local vendor, including key raw materials that come from a foreign source.

C. Environmental Disclosures

Materials

GRI 301-1, 301-2
SASB FB-PF-410a.1, 440a.1, 440a.2

Disclosure	UOM	2024
Raw Materials		
Renewable materials	kg	398,394,420
Non-Renewable materials	kg	52,828,010
Food ingredients sourced from regions with High or Extremely High Baseline Water Stress	kg	0
Priority food ingredients (excluding water)	list	Wheat, Fats and Oils, Flavors, Sugar, Flour
Packaging Materials		
Recyclable / Mono-material packaging	%	94

Energy Management

GRI 2-4, 302-1, 302-3, 302-4
SASB FB-PF-130a.1

Disclosure	UOM	2021	2022	2023	2024
Energy consumption within the organization[1]	**GJ**	**1,806,720**	**1,556,714**	**1,592,496**	**1,680,695**
Non-renewable energy[1]	**GJ**	**1,690,127**	**1,313,193**	**1,233,305**	**1,278,503**
Coal	GJ	1,008,691	832,880	980,773	1,016,307
Bunker fuel oil[1]	GJ	243,354	81,963	8,542	3,417
Diesel[1]	GJ	5,213	7,790	7,838	9,975
LPG	GJ	95,947	188,847	222,230	217,452
Gasoline[1]	GJ	137	0	93[1]	95
Purchased electricity	GJ	336,784	201,714	13,828	31,257
Renewable energy	**GJ**	**116,593**	**243,521**	**359,191**	**402,192**
Biomass	GJ	111,618	127,387	48,736	95,416
Solar panel	GJ	4,975	4,679	3,171	3,112
Purchased electricity (Geothermal)	GJ	0	111,454	307,284	303,664
Percentage renewable energy consumption	**%**	6	**16**	**23**	**24**
Percentage grid electricity consumption	**%**	19	**20**	**20**	**20**
Energy reduction (vs. FY 2021 baseline)[1]	**GJ**	**-**	**250,006**	**214,224**	**126,025**

[1]To ensure methodological consistency, quantity units for fuels converted to gigajoules (GJ) have been restated using the updated conversion factors from the GHG Protocol's Emission Factor Cross-Sector Tool (Version 2, March 2024), which incorporates revised density values for liquid fuels.

Emissions Management

GRI 2-4, 305-1, 305-2, 305-4, 305-5

Disclosure	UOM	2021[1]	2022[1]	2023[1]	2024
Scope 1 GHG emissions	tonnes CO2e	123,185	99,718	110,299	113,291
Biogenic emissions[2]	tonnes CO2e	12,501	14,267	5,458	10,687
Scope 2 GHG emissions	tonnes CO2e	65,616	44,662	20,089	21,157
GHG intensity	tonnes CO2e/ tonne or product produced	0.42	0.32	0.28	0.29
Reduction of Scope 1 and 2 emissions (vs. FY 2021 baseline year)	tonnes CO2e	-	44,421	58,413	54,352
Reduction of Scope 1 emissions (vs. FY 2021 baseline year)	tonnes CO2e	-	23,467	12,886	9,894
Reduction of Scope 2 emissions (vs. FY 2021)	tonnes CO2e	-	20,954	45,527	44,459

[1]Emissions from 2021 onward were recalculated using the updated DOE's National Grid Emission Factor (NGEF) for 2019–2021 (posted in 2024) for Non-RE Purchased Electricity, the updated GHG Protocol Cross-Sector Tool (version 2, March 2024), and revised biomass emission accounting. Additionally, IPCC AR6 guidelines were adopted to align with updated reference methodologies.
[2]This pertains to the emissions from the combustion of biomass.

Water Management

GRI 303-3, 303-4, 303-5
SASB FB-PF-140a.1, 140a.2

Disclosure	UOM	2021	2022	2023	2024
Water withdrawal	**m3**	**1,420,123**	**1,068,369**	**1,057,692**	**1,122,409**
By source:					
Groundwater	m3	1,310,073	925,098	880,134	929,453
Third-party water	m3	110,050	143,271	177,558	192,956
Regions with High or Extremely High Baseline Water Stress	%	0	0	0	0
Water discharge	**m3**	**207,184**	**283,758**	**278,666**	**339,357**
By destination:					
Seawater	m3	11,339[1]	9,747[1]	10,435[1]	8,402
Surface Water	m3	185,969[1]	251,648[1]	213,620[1]	271,217
Third-party water	m3	9,876	22,363	54,611	59,738
Water consumption[2]	**m3**	**1,212,939**	**784,611**	**779,026**	**783,052**
Water consumed in regions with High or Extremely High Baseline Water Stress	%	0	0	0	0
Water intensity	**m3/ tonne of product produced**	**3.16**	**2.39**	**2.28**	**2.39**
Water recycled	**m3**	**599**	**19,360**	**22,933**	**36,589**
	%	**0.04**	**1.81**	**2.17**	**3.36**
Incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	**#**	**0**	**0**	**0**	**0**

[1]The reported water discharge data has been updated to reflect a more precise classification of discharge destinations.
[2]The formula "water consumption = total water withdrawal–total water discharge" was used to align with GRI guidelines on disclosing data on water consumption.

Waste Management

GRI 306-3, 306-4, 306-5

Disclosure	UOM	2021	2022	2023	2024
Waste Generated	**tonnes**	**34,054**	**31,320**	**30,663[1]**	**29,078**
Hazardous	**tonnes**	**1,564**	**2,240**	**1,995[1]**	**1,475**
Recovery, including energy recovery	tonnes	No data	No data	1,988	1,470
Recycling	tonnes	No data	No data	7	4
Non-Hazardous	**tonnes**	**32,490**	**29,080**	**28,669**	**27,604**
Landfill	tonnes	3,479	1,476	1,050	403
Recovery, including energy recovery	tonnes	No data	No data	3,111	4,705
Recycling	tonnes	No data	No data	24,508	22,496
Percentage Waste to Landfill	**%**	**10**	**5**	**3[1]**	**1**
Percentage Waste Diverted from Landfill	**%**	**90**	**95**	**97[1]**	**99**

[1]The 2023 total hazardous waste data was restated to correct a unit inconsistency identified at one of the sites. As a result, the total percentage of waste diverted from landfill has been updated accordingly.

Environmental Compliance

GRI 2-27

Disclosure	UOM	2024
Non-compliance with Environmental Laws and Regulations		
Instances for which fines were incurred	#	2[2]
Instances for which non-monetary sanctions were incurred	#	0
Cases resolved	#	2[2]
Monetary Fines for Non-compliance to Environmental Laws and Regulations		
Fines for instances of non-compliance occurred for the current year	Php	50,000

[2]A Notice of Violation (NOV) was issued to Santa Rosa Plant Site in July 2024 due to failure to secure an approved test plan for resampling, as required under the site's ECC Condition. These were resolved accordingly on January 24, 2025.

D. Social Disclosures

Employees

GRI 2-7, 401-1, 405-1

Disclosure	UOM	2024		
Employees by Gender		**Male**	**Female**	**Total**
Board of Directors	#	4	5	9
	%	44	56	100
Employees	#	2,329	1,264	3,593
Senior Management	%	53	47	100
Middle Management	%	44	56	100
Staff	%	53	47	100
Rank and File	%	73	27	100
Regular Employees	#	1,338	880	2,218
Probationary Employees	#	919	345	1,264
Project-Based, OJT, Consultants	#	72	39	111
New Hires	#	2,203	802	3,005
Employee Turnover	#	1,905	674	2,579
Attrition Rate[1]	%	-	-	7[1]
Employees by Age		**<30 y/o**	**30-50 y/o**	**>50 y/o**
Board of Directors	%	0	11	89
Senior Management	%	0	33	67
Middle Management	%	15	74	11
Staff	%	70	26	4
Rank and File	%	62	33	5
New Hires	%	89	11	0
Employee Turnover	%	87	12	1

[1]Only includes employees with regular or permanent employment status.

Employee Benefits

GRI 401-2

Disclosure	Offered to Regular Employees?
SSS	Yes
PhilHealth	Yes
Pag-IBIG	Yes
Parental leaves (maternity & paternity leave)	Yes
Paid vacation leaves	Yes
Paid sick leaves	Yes
SSS sickness benefit	Yes
Medical benefits (aside from PhilHealth)	Yes
Life insurance	Yes
Disability and invalidity coverage	Yes
Housing (staff house)	Yes

Disclosure	Offered to Regular Employees?
Housing assistance (aside from Pag-IBIG)	Yes
Retirement fund (aside from SSS)	Yes
Further education support	Yes
Company stock options/ Stock ownership	No
Telecommuting	Yes
Flexible-working hours	Yes
Others: Above minimum wages	Yes
Others: Equitable severance pay	Yes
Others: Flexible benefit	Yes
Others: Access to health & wellness programs	Yes

Parental Leaves (Maternity & Paternity Leaves)

GRI 401-3

Disclosure	UOM	2024		
		Male	Female	Total
Entitled to parental leaves	#	715	883	1,598
Employees who took parental leave	#	59	43	102
Employees who returned to work after parental leave	#	59	43	102

Collective Bargaining Agreements

GRI 2-30

Disclosure	UOM	2024		
		Male	Female	Total
Regular employees covered with Collective Bargaining Agreements	%	23	11	34

Labor-Management Relations

GRI 402-1

Disclosure	UOM	2024
Minimum number of weeks typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them	#	2
For your collective bargaining agreements, are the notice period and provisions for consultation and negotiation specified in the agreement?	Y/N	Y

Employee Training

GRI 404-1

Disclosure	UOM	2024	
		Male	Female
Training hours	hrs	13,815	13,867
	hrs/employee	10	16
Senior management	hrs/employee	20	35
Middle management	hrs/employee	27	29
Staff	hrs/employee	16	17
Rank and file	hrs/employee	3	3

Occupational Health and Safety[1]

GRI 403-9, 403-10

Disclosure	UOM	2024
Recordable work-related injuries	#	14
Work-related fatalities	#	0
Recordable work-related ill health	#	27
TRIR[2]	#	0.37

[1]The OHS data presented pertains exclusively to Monde Nissin employees. However, Monde Nissin's OHS policies and programs are implemented across all levels of the organization and extend to contractors operating within the Company's facilities, plants, and offices.
[2]TRIR is based on 200,000 work hours

Product Quality and Safety

GRI 416-1, 416-2
SASB FB-PF-260a.1

Disclosure	UOM	2024
Product Assessment for Health and Safety Impacts		
Significant product and service categories which have been assessed for health and safety impacts	#	100
Incidents of Non-compliance		
Incidents of non-compliance resulting in fine or penalty	#	0
Incidents of non-compliance resulting in a warning	#	0
Incidents of non-compliance with voluntary codes	#	0
Promotion of Health and Nutrition Attributes		
Revenue from the sales from products labeled and/or marketed to promote health and nutrition attributes	Billion Php	Bakery: 4 Noodles: 28

Marketing and Labeling

GRI 417-1, 417-2, 417-3
SASB FB-PF-270a.1, 270a.3, 270a.4

Disclosure	UOM	2024
Are the following types of information required by the organization's procedures for product and service information and labeling?		
Sourcing of components of the product or service	Y/N	N - Country of sourcing for all raw materials is recorded as part of our processes, but not necessarily reported on pack
Content, particularly with regard to substances that might produce an environmental or social impact	Y/N	Allergen and nutrition information is declared on all packs
Safe use of the product or service	Y/N	Y
Disposal of the product and environmental or social impacts	Y/N	Y

Disclosure	UOM	2024
Significant product or service categories covered by and assessed for compliance with such procedures	%	100
Incidents of Non-compliance		
Incidents of non-compliance resulting in fine or penalty	#	0
Incidents of non-compliance resulting in a warning	#	0
Incidents of non-compliance with voluntary codes	#	0
Monetary losses as a result of legal proceedings associated with labeling and/ or marketing practices	Php	0
Advertising Impressions		
Advertising impressions made on children %	%	TV: 22%[1] Digital: 11%[2]
Advertising impressions made on children promoting products that meet dietary guidelines	%	TV: 21%[3] Digital: 16%[4]

[1]On TV, computation is done via Nielsen's Arianna tool. We ran the list of programs where we placed our spots in 2024 then computed for Adhesion Rate, which is the percent composition of the audience by age group. The average Adhesion Rate of 0-12 years old for all the programs is 22%.
[2]On digital, the formula provided by SASB Standards was used. The expected share of children in the audience is based on Nielsen's Consumer and Media View (CMV) tool, but the available age group is only from 10-14 years old with no available data for below 10 years old.
[3]Brands with TV airing that meet DepEd requirements are Dutchmill Yoghurt Drink and Nissin Butter Coconut. Its corresponding adhesion rate for 0-12 years old is 21%.
[4]On digital, the formula provided by SASB Standards was used. Brands that meet DepEd requirements are Breadstix, Eggnog, Nissin Wafer, NBC, and DYG. Impressions for these brands were multiplied by the expected share of children viewing digital (limitation of Nielsen tool is 10-14 years old only), divided by the total number of advertising impressions made on children.

Customer Satisfaction

Disclosure	UOM	Monde Nissin
Customer satisfaction score/rank	Rank	3[5]
Did a third party conduct the customer satisfaction study (Y/N)?	Y/N	Y

[5]Ranking was conducted by The Advantage Group International, Inc. through a study from May to June 2024.

E. Corporate Governance

Anti-corruption Practices

GRI 205-2, 205-3

Disclosure	UOM	2024
Communication and Training on Anti-corruption Policies and Procedures		
Employees to whom the organization's anti-corruption policies and procedures have been communicated to	%	100
Business partners to whom the organization's anti-corruption policies and procedures have been communicated to	%	100
Senior leaders that have received anti-corruption training	%	100
Employees that have received anti-corruption training	%	100[1]
Governance body members [2] that the organization's anti-corruption policies and procedures have been communicated to	%	100
Governance body members that have received training on anti-corruption	%	100
Incidents of Corruption		
Confirmed incidents of corruption	#	0
Incidents in which directors were removed or disciplined for corruption	#	0
Incidents in which employees were dismissed or disciplined for corruption	#	0
Incidents when contracts with business partners were terminated due to incidents of corruption	#	0
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcome of such cases	#	0

[1]This data covers staff and up as well as rank and file. For staff and up, 100% have received anti-corruption training. For rank and file, 22% have received anti-corruption training.
[2]Governance body members refer to the members of Monde Nissin's Board.

Customer Privacy and Data Security

GRI 418-1

Disclosure	UOM	2024
Substantiated complaints on customer privacy	%	0
Complaints addressed	%	0
Data breaches, including leaks, thefts and losses of data	%	0

Indices

GRI Content Index

Monde Nissin Corporation has reported the information cited in this GRI content index for the period 01 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI Standard	Disclosure		Page Number(s)	Direct Answer
GRI 2: General Disclosures 2021	2-1	Organizational details	2-3	
	2-2	Entities included in the organization's sustainability reporting	2-3	
	2-3	Reporting period, frequency and contact point	2, 110	
	2-4	Restatements of information	43, 49, 91–94	
	2-5	External assurance		This report did not undergo external assurance.
	2-6	Activities, value chain and other business relationships	16–17, 87	
	2-7	Employees	58, 95	
	2-9	Governance structure and composition		See Amended Articles of Incorporation, Amended By-Laws ("By-Laws"), and Manual on Corporate Governance ("CG Manual")
	2-10	Nomination and selection of the highest governance body		See By-Laws, CG Manual, CGNRC Charter, and Board Diversity Policy

GRI Standard		Disclosure	Page Number(s)	Direct Answer
	2-11	Chair of the highest governance body		The Chairperson of the Board, Ms. Kataline Darmono, is a non-executive director who is not involved in Monde Nissin's day-to-day operations.
	2-12	Role of the highest governance body in overseeing the management of impacts	24	
	2-13	Delegation of responsibility for managing impacts	24	
	2-14	Role of the highest governance body in sustainability reporting	24	
	2-15	Conflicts of interest		See also By-Laws, Conflicts of Interest Policy ("COI Policy"), CG Manual, and Charter of the Board of Directors ("Board Charter")
	2-16	Communication of critical concerns		Unless the Board has delegated to Management the authority to implement any initiative, all concerns are brought up to the Board, whether directly or through the Board's committees. Where a matter has been expressly delegated to Management, Management timely apprises the Board and/or the relevant Board Committee of significant updates and developments.
	2-17	Collective knowledge of the highest governance body		See CG Manual, CGNRC Charter, and Board Charter
	2-18	Evaluation of the performance of the highest governance body		See CG Manual, CGNRC Charter, and Board Charter

GRI Standard		Disclosure	Page Number(s)	Direct Answer
	2-22	Statement on sustainable development strategy	5-11	
	2-25	Processes to remediate negative impacts	19-86	
	2-26	Mechanisms for seeking advice and raising concerns		See Code of Conduct of Ethics, Anti-Bribery and Corruption Policy and Whistleblowing Policy
	2-27	Compliance with laws and regulations	94	
	2-28	Membership associations	88	
	2-29	Approach to stakeholder engagement	20	
	2-30	Collective bargaining agreements	97	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	2–3, 20–21	
	3-2	List of material topics	21	
	3-3	Management of material topics	19–86	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	68, 89	
	201-2	Financial implications and other risks and opportunities due to climate change	69	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	89	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	100	
	205-3	Confirmed incidents of corruption and actions taken	100	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	90	
	301-2	Recycled input materials used	90	

GRI Standard	Disclosure		Page Number(s)	Direct Answer
GRI 302: Energy 2016	302-1	Energy consumption within the organization	91	
	302-3	Energy intensity	43, 91	
	302-4	Reduction of energy consumption	91	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	47–48	
	303-2	Management of water discharge-related impacts	47–48	
	303-3	Water withdrawal	93	
	303-4	Water discharge	93	
	303-5	Water consumption	93	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	92	
	305-2	Energy indirect (Scope 2) GHG emissions	92	
	305-4	GHG emissions intensity	43, 92	
	305-5	Reduction of GHG emissions	92	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	48–50	
	306-2	Management of significant waste-related impacts	48–50	
	306-3	Waste generated	94	
	306-4	Waste diverted from disposal	94	
	306-5	Waste directed to disposal	94	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	69	
	308-2	Negative environmental impacts in the supply chain and actions taken	69	

GRI Standard	Disclosure		Page Number(s)	Direct Answer
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	95	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	96	
	401-3	Parental leave	96	
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	97	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	64	
	403-2	Hazard identification, risk assessment, and incident investigation	64	
	403-3	Occupational health services	64	
	403-4	Worker participation, consultation, and communication on occupational health and safety	64	
	403-5	Worker training on occupational health and safety	64	
	403-6	Promotion of worker health	64	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64	
	403-9	Work-related injuries	97	
	403-10	Work-related ill health	97	

GRI Standard	Disclosure		Page Number(s)	Direct Answer
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	58, 97	
	404-2	Programs for upgrading employee skills and transition assistance programs	60–61	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	58, 95	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken		No incidents of discrimination were identified in 2024.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		In 2024, no operations were found to pose a risk to workers' rights to exercise freedom of association or collective bargaining.
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		In 2024, no operations were identified as having significant risks for incidents of child labor or young workers being exposed to hazardous work.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		In 2024, no operations were identified as having significant risks for incidents of forced labor.
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	68	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	69	
	414-2	Negative social impacts in the supply chain and actions taken	69	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	98	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	98	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	98–99	
	417-2	Incidents of non-compliance concerning product and service information and labeling	98–99	
	417-3	Incidents of non-compliance concerning marketing communications	98–99	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	100	

SASB Content Index

SASB Standards: Processed Foods

Code	Sustainability Metric	Page Number(s)	Direct Answer
Energy Management			
FB-PF-130a.1	Total energy consumed, percentage grid electricity, percentage renewable	91	
Water Management			
FB-PF-140a.1	Total water withdrawn, total water consumed	93	
	Percentage of each in regions with High or Extremely High Baseline Water Stress	93	
FB-PF-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	93	

Code	Sustainability Metric	Page Number(s)	Direct Answer
FB-PF-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	47-48	
Food Safety			
FB-PF-250a.2	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	69	
FB-PF-250a.3	Total number of notices of food safety violation received, percentage corrected		No notices of food safety violations received in 2024.
FB-PF-250a.4	Number of recalls issued and total amount of food product recalled		No recalls of food products in 2024.
Health and Nutrition			
FB-PF-260a.1	Revenue from products labeled and/or marketed to promote health and nutrition attributes	98	
FB-PF-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	29-39	
Product Labeling and Marketing			
FB-PF-270a.1	Percentage of advertising impressions made on children and made on children promoting products that meet dietary guidelines	98–99	
FB-PF-270a.3	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	98–99	
FB-PF-270a.4	Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices	98–99	

Code	Sustainability Metric	Page Number(s)	Direct Answer
Packaging Lifecycle Management			
FB-PF-410a.1	Total weight of packaging, percentage made from recycled and/or renewable materials, and percentage that is recyclable, reusable, and/or compostable	90	
FB-PF-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	51-53	
Environmental & Social Impacts of Ingredient Supply Chain			
FB-PF-430a.1	Percentage of food ingredients sourced that are certified to third-party environmental or social standards, and percentages by standard	69	
FB-PF-430a.2	Suppliers' social and environmental responsibility audit non-conformance rate and associated corrective action rate for major and minor non-conformances	69	
Ingredient Sourcing			
FB-PF-440a.1	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	90	
FB-PF-440a.2	List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations	90	

Code	Activity Metric	Page Number(s)	Direct Answer
FB-PF-000.A	Weight of products sold	88	
FB-PF-000.B	Number of production facilities	88	

Contact Information

GRI 2-3

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