SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended
   Sep 30, 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 Street, Barangay Balibago, City of Santa Rosa, Laguna
   Postal Code
   4026
8. Issuer's telephone number, including area code
   +63277597595
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 common shares are listed on the Philippine Stock Exchange

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period 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

Monde Nissin

Monde Nissin Corporation
MONDE

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

For the period ended	Sep 30, 2024
Currency (indicate units, if applicable)	PHP'000

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2024	Dec 31, 2023
Current Assets	33,349,421	36,089,590
Total Assets	84,837,445	84,094,659
Current Liabilities	14,353,305	17,734,802
Total Liabilities	20,349,350	25,596,271
Retained Earnings/(Deficit)	9,457,617	5,533,042
Stockholders' Equity	64,488,095	58,498,388
Stockholders' Equity - Parent	64,368,057	58,388,484
Book Value per Share	3.58	3.25

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	21,012,702	20,453,299	61,148,717	59,645,897
Gross Expense	18,438,105	17,677,108	51,944,859	52,434,177
Non-Operating Income	690,696	337,226	682,392	776,514
Non-Operating Expense	679,431	152,159	1,538,212	469,321
Income/(Loss) Before Tax	2,585,862	2,961,258	8,348,038	7,518,913
Income Tax Expense	595,548	653,389	2,260,926	1,719,614
Net Income/(Loss) After Tax	1,990,314	2,307,869	6,087,112	5,799,299
Net Income Attributable to Parent Equity Holder	1,991,081	2,303,647	6,080,808	5,789,426
Earnings/(Loss) Per Share (Basic)	0.11	0.13	0.34	0.32
Earnings/(Loss) Per Share (Diluted)	0.11	0.13	0.34	0.32

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	-0.02	-0.72
Earnings/(Loss) Per Share (Diluted)	-0.02	-0.72

Other Relevant Information

Please see attached Monde Nissin Corporation and Subsidiaries' SEC Form 17Q as of September 30, 2024. The aging analysis of trade and other receivables as at September 30, 2024 and December 31, 2023 are in Note 22 (page 25 of the Notes to Unaudited Interim Condensed Consolidated Financial Statements) of the attached SEC Form 17-Q.

The book value per share is computed by dividing Stockholder's Equity-Parent over Issued Shares.

This disclosure is being amended to reflect the necessary revisions on unaudited Cash and Cash Equivalents, and Accounts Payable and Other Current Liabilities. The amendments rectify data entry errors previously affecting these accounts.

Filed on behalf by:

Name	Katherine Lee-Bacus
Designation	Assistant Corporate Secretary

MONDE NISSIN CORPORATION

Felix Reyes Street, Brgy. Balibago
City of Santa Rosa, 4026 Laguna

21st Floor, 6750 Office Tower
Ayala Avenue, 1223 Makati

Tel: (+632) 7759 7500
www.mondenissin.com

January 3, 2025

Securities and Exchange Commission
The SEC Headquarters
7907 Makati Avenue, Salcedo Village
Bel-Air, 1209 Makati

Attention: **Director Rachel Esther J. Gumtang-Remalante**
Corporate Governance & Finance Department

Director Oliver O. Leonardo
Markets & Securities Regulation Department

The Philippine Stock Exchange, Inc.
PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, 1634 Taguig

Attention: **Atty. Stefanie Ann B. Go**
Head, PSE Disclosures Department

Subject: **Amendment of Quarterly Report for the Quarter Ended September 30, 2024**

Ladies and Gentlemen:

In connection with Monde Nissin Corporation's ("**Monde's**") quarterly report for the quarter ended September 30, 2024 on SEC Form 17-Q/PSE Form 17-2 and disclosed to the market on November 13, 2024 ("**3Q 2024 17Q**"), we submit herewith an amendment to the 3Q 2024 17Q to reflect necessary revisions on unaudited Cash and Cash Equivalents and Accounts Payable and Other Current Liabilities. The amendments rectify data entry errors previously affecting these accounts.

Thank you.

Very truly yours,

Jesse C. Teo
Chief Financial Officer

SEC Number
0000086335
File Number_______

Monde Nissin Corporation
(Company's Full Name)

Felix Reyes St. Balibago 4026, City of Santa Rosa, Laguna
(Company's Address)

(632) 7759 7595
Telephone Number

September 30, 2024
(Quarter Ending)
(month & day)

Form 17-Q
Form Type

N/A
Designation (If applicable)

September 30, 2024
Period Date Ended

Issuer of Securities under SEC-MSRD No. 27, Series of 2021
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2024**

2. Commission 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: **Laguna, Philippines**

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code
   Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna **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
   Not applicable

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	**17,968,611,496**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [✓] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    The common shares are listed on the Philippine Stock Exchange.

12. Indicate by check mark whether the registrant:

has filed all reports required to be filed since it became listed on June 1, 2021 in accordance with Section 17 of the SRC, SRC Rule 17, Sections 11 of the RSA, RSA Rule 11(a)-1, and Sections 26 and 141 of the Corporation Code of the Philippines

Yes [✓] No [ ]

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

Yes [✓] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands, with Comparative Audited Figures as at December 31, 2023)

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 22)	**₱15,390,892**	₱16,678,888
Trade and other receivables (Notes 6, 20 and 22)	**7,007,628**	6,410,138
Inventories (Note 7)	**8,881,949**	9,186,527
Current financial assets (Notes 9, 20 and 22)	**1,175,151**	2,714,363
Prepayments and other current assets (Note 8)	**893,801**	1,099,674
Total Current Assets	**33,349,421**	36,089,590
Noncurrent Assets		
Property, plant and equipment (Note 11)	**26,549,643**	25,155,720
Guaranty asset (Notes 10 and 22)	**10,348,314**	10,432,256
Intangible assets (Note 12)	**9,336,939**	8,812,834
Investments in associates and joint ventures	**1,141,785**	1,125,054
Deferred tax assets - net (Note 21)	**988,183**	936,965
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 22)	**748,349**	600,701
Noncurrent receivables (Notes 9, 20 and 22)	**692,949**	–
Other noncurrent assets (Notes 13 and 22)	**1,681,862**	941,539
Total Noncurrent Assets	**51,488,024**	48,005,069
	₱84,837,445	₱84,094,659
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14, 20 and 22)	**₱10,809,323**	₱11,684,310
Acceptances and trust receipts payable (Notes 7 and 22)	**1,075,734**	1,607,336
Current portion of loans payable (Note 15)	**1,276,392**	1,200,251
Income tax payable	**736,862**	590,874
Refund liabilities (Note 14)	**376,211**	406,677
Current portion of lease liabilities	**78,783**	89,121
Dividends payable	–	2,156,233
Total Current Liabilities	**14,353,305**	17,734,802
Noncurrent Liabilities		
Lease liabilities	**2,532,039**	2,593,746
Loans payable (Note 15)	**1,985,119**	3,733,776
Pension liability	**1,093,680**	1,007,247
Derivative liability	**318,469**	106,406
Deferred tax liabilities - net (Note 21)	**26,989**	381,737
Other noncurrent liabilities	**39,749**	38,557
Total Noncurrent Liabilities	**5,996,045**	7,861,469
Total Liabilities	**20,349,350**	25,596,271
Equity		
Capital stock (Note 16)	**8,984,306**	8,984,306
Additional paid-in capital (APIC) (Note 16)	**39,361,947**	39,361,947
Retained earnings (Note 16):		
Appropriated	**211,452**	211,452
Unappropriated	**9,246,165**	5,321,590
Fair value reserve of financial assets at FVOCI	**(415,589)**	(563,237)
Remeasurement losses on pension liability	**(525,874)**	(525,874)
Equity reserve (Note 16)	**8,491,788**	8,491,788
Cumulative translation adjustments (Note 16)	**(986,138)**	(2,893,488)
Equity Attributable to Equity Holders of the Parent Company	**64,368,057**	58,388,484
Non-controlling Interests	**120,038**	109,904
Total Equity	**64,488,095**	58,498,388
	₱84,837,445	₱84,094,659

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Quarters Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
NET SALES (Note 17)	**₱21,012,702**	₱20,453,299	**₱61,148,717**	₱59,645,897
COST OF GOODS SOLD (Note 17)	**13,592,616**	13,862,427	**39,792,385**	41,086,995
GROSS PROFIT	**7,420,086**	6,590,872	**21,356,332**	18,558,902
SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
General and administrative expenses (Note 18)	**2,217,940**	1,822,082	**5,987,727**	5,921,886
Selling and distribution expenses (Note 18)	**2,102,087**	1,973,626	**5,622,562**	5,451,215
Provision for (reversal of) impairment loss - net (Notes 11 and 18)	**525,462**	18,973	**542,185**	(25,919)
	4,845,489	3,814,681	**12,152,474**	11,347,182
	2,574,597	2,776,191	**9,203,858**	7,211,720
OTHER INCOME (EXPENSES)				
Fair value gain (loss) on:				
Guaranty asset (Notes 4 and 10)	**495,022**	–	**(722,854)**	–
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	**16,920**	26,971	**54,848**	65,015
Foreign exchange gain (loss) - net (Note 4)	**(438,194)**	181,634	**(231,934)**	298,993
Share in net earnings from associates and joint ventures	**8,049**	7,613	**33,790**	28,229
Miscellaneous income - net (Note 19)	**(1,662)**	9,152	**111,856**	100,651
	80,135	225,370	**(754,294)**	492,888
INCOME BEFORE FINANCE INCOME (EXPENSES)	**2,654,732**	3,001,561	**8,449,564**	7,704,608
FINANCE INCOME (EXPENSES)				
Finance costs (Notes 15 and 19)	**(239,575)**	(149,587)	**(583,424)**	(464,799)
Finance income (Note 19)	**23,636**	111,856	**418,332**	283,626
Derivative gain (loss) (Note 22)	**147,069**	(2,572)	**63,566**	(4,522)
	(68,870)	(40,303)	**(101,526)**	(185,695)
INCOME BEFORE INCOME TAX	**2,585,862**	2,961,258	**8,348,038**	7,518,913
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	**901,481**	756,558	**2,620,024**	2,021,702
Deferred	**(305,933)**	(103,169)	**(359,098)**	(302,088)
	595,548	653,389	**2,260,926**	1,719,614
NET INCOME	**₱1,990,314**	₱2,307,869	**₱6,087,112**	₱5,799,299
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the Parent Company	**₱1,991,081**	₱2,303,647	**₱6,080,808**	₱5,789,426
Non-controlling interests	**(767)**	4,222	**6,304**	9,873
	₱1,990,314	₱2,307,869	**₱6,087,112**	₱5,799,299
Earnings per Share (EPS) (Note 16)				
Income attributable to equity holders of the parent	**₱0.111**	₱0.128	**₱0.338**	₱0.322

(Forward)

	Quarters Ended September 30		Nine Months Ended September 30	
	2024	2023	**2024**	2023
NET INCOME	**₱1,990,314**	₱2,307,869	**₱6,087,112**	₱5,799,299
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) (Note 16)	**737,776**	(259,878)	**1,907,350**	156,388
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Gain (loss) on financial assets at FVOCI	**49,216**	32,811	**147,648**	(205,067)
	786,992	(227,067)	**2,054,998**	(48,679)
TOTAL COMPREHENSIVE INCOME	**₱2,777,306**	₱2,080,802	**₱8,142,110**	₱5,750,620
Total comprehensive income (loss) attributable to:				
Equity holders of the Parent Company	**₱2,778,073**	₱2,076,580	**₱8,135,806**	₱5,740,747
Non-controlling interests	**(767)**	4,222	**6,304**	9,873
	₱2,777,306	₱2,080,802	**₱8,142,110**	₱5,750,620

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands, For the nine months ended September 30, 2024 and 2023)

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 16)	Additional Paid-in Capital	Retained Earnings (Deficit) (Note 16)		Fair Value Reserve of Financial Assets at FVOCI	Remeasurement Losses on Pension Liability	Equity Reserve (Note 16)	Cumulative Translation Adjustments (Note 16)	Total	Non-controlling Interests (Note 16)	Total Equity
			Appropriated	Unappropriated							
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	**–**	**–**	**–**	**6,080,808**	**–**	**–**	**–**	**–**	**6,080,808**	**6,304**	**6,087,112**
Other comprehensive income, net of tax	**–**	**–**	**–**	**–**	**147,648**	**–**	**–**	**1,907,350**	**2,054,998**	**–**	**2,054,998**
Total comprehensive income	**–**	**–**	**–**	**6,080,808**	**147,648**	**–**	**–**	**1,907,350**	**8,135,806**	**6,304**	**8,142,110**
Acquisition during the year (Note 4)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,830**	**3,830**
Cash dividends	**–**	**–**	**–**	**(2,156,233)**	**–**	**–**	**–**	**–**	**(2,156,233)**	**–**	**(2,156,233)**
Balance as at September 30, 2024	**₱8,984,306**	**₱39,361,947**	**₱211,452**	**₱9,246,165**	**(₱415,589)**	**(₱525,874)**	**₱8,491,788**	**(₱986,138)**	**₱64,368,057**	**₱120,038**	**₱64,488,095**
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	–	–	–	5,789,426	–	–	–	–	5,789,426	9,873	5,799,299
Other comprehensive income (loss), net of tax	–	–	–	–	(205,067)	–	–	156,388	(48,679)	–	(48,679)
Total comprehensive income (loss)	–	–	–	5,789,426	(205,067)	–	–	156,388	5,740,747	9,873	5,750,620
Equity restructuring (Note 16)	–	(7,153,900)	–	7,153,900	–	–	–	–	–	–	–
Release of appropriation (Note 16)	–	–	(5,000,000)	5,000,000	–	–	–	–	–	–	–
Balance as at September 30, 2023	₱8,984,306	₱39,361,947	₱211,452	₱13,903,657	(₱440,197)	(₱210,805)	(₱622,335)	(₱3,318,592)	₱57,869,433	₱152,371	₱58,021,804

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands, For the nine months ended September 30, 2024 and 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱8,348,038**	₱7,518,913
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 11, 12, 17, 18 and 19)	**1,956,643**	2,092,443
Fair value loss on guaranty asset (Notes 4 and 10)	**722,854**	–
Finance costs (Note 19)	**583,424**	464,799
Provision for (reversal of) impairment loss - net (Notes 11 and 18)	**542,185**	(25,919)
Finance income (Note 19)	**(418,332)**	(283,626)
Movement in pension liability	**87,891**	83,689
Derivative (gain) loss (Note 22)	**(63,566)**	4,522
Fair value loss on financial instruments at FVTPL (Note 9)	**(54,848)**	(65,015)
Share in net earnings from associates and joint venture	**(33,790)**	(28,229)
Loss (gain) on sale of property, plant and equipment	**26,930**	(2,524)
Unrealized foreign exchange (gain) loss - net	**(1,627)**	(51,442)
Gain on lease modification	**–**	(19,778)
Working capital adjustments:		
Decrease (increase) in:		
Trade and other receivables	**(285,685)**	(402,524)
Inventories	**304,578**	361,679
Prepayments and other current assets	**205,873**	274,765
Increase (decrease) in:		
Accounts payable and other current liabilities	**(363,534)**	(922,922)
Acceptance and trust receipts payable	**(566,031)**	(447,994)
Refund liabilities	**(30,466)**	157,524
Net cash generated from operations	**10,960,537**	8,708,361
Income tax paid	**(2,474,036)**	(1,667,515)
Interest received	**425,303**	287,209
Net cash flows from operating activities	**8,911,804**	7,328,055
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment (Note 11)	**(2,696,310)**	(1,951,245)
Current financial assets (Note 9)	**(2,580,534)**	(3,698,364)
Noncurrent receivables (Notes 9 and 23)	**(600,000)**	–
Intangible assets - net (Note 12)	**(81,013)**	(55,404)
Financial assets at FVOCI (Note 10)	**–**	(928,808)
Increase in other noncurrent assets	**(739,692)**	(15,967)
Proceeds from:		
Termination of current financial assets (Note 9)	**3,500,425**	3,838,739
Loans receivable (Note 23)	**500,000**	–
Sale of property, plant and equipment (Note 11)	**66,381**	33,653
Net cash used in investing activities	**(2,630,743)**	(2,777,396)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments for):		
Cash dividends (Note 16)	**(4,312,466)**	–
Loans (Note 15)	**(2,022,936)**	(3,540,811)
Principal portion of lease liabilities	**(971,343)**	(275,109)
Interest	**(332,696)**	(317,906)
Derivatives (Note 22)	**63,565**	(4,522)
Noncontrolling interest for investment in subsidiary (Note 4)	**3,830**	–
Availment of loans (Note 15)	**–**	900,346
Increase in other noncurrent liabilities	**1,192**	483
Net cash used in financing activities	**(7,570,854)**	(3,237,519)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,289,793)**	1,313,140
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,797**	11,752
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**16,678,888**	11,628,627
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱15,390,892**	₱12,953,519

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED 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 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) authorized number of shares, as amended, shall be 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 was approved by the SEC on April 7, 2021.

On April 20, 2021 and April 21, 2021, the SEC and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Parent Company for the listing of up to 17,968,611,496 common shares on the Main Board of the PSE.

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 registered office address is at Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna.

2. Basis of Preparation and Changes to Group's Material Accounting Policy Information

<u>Basis of Preparation</u>

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed 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 unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2023. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2023.

Basis of Consolidation
The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at September 30, 2024 and December 31, 2023. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies as those of the Parent Company.

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those of the previous financial year, except for the adoption of amendments effective starting January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

In 2024, the Group adopted the Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies.*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

3. Material Accounting Judgments, Estimates and Assumptions

The preparation of the unaudited interim condensed 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 unaudited interim condensed consolidated financial statements:

Net Realizable Values (NRV) of Inventories. The Group's estimates of the NRV are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to be realized. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring after reporting period to the extent that such events confirm conditions existing at reporting period. A new assessment is made at NRV at each reporting period. Information on the Group's inventories is disclosed in Note 7.

Impairment of Non-Financial Assets

- *Goodwill, Brand and Trademark.* The Group performed its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year December 31, 2023.

  As at September 30, 2024, management assessed that there have been no significant changes in the assets and liabilities making up the CGUs since December 31, 2023.

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. Information on the Group's recognized deferred taxes is disclosed in Note 21.

Assessment of Impairment of Property, plant and equipment. The Group assesses impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group consider important, which could trigger an impairment review include the following:

- Significant under-performance 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.

In 2024, MNUKL assessed that the VIU of a certain property, plant and equipment is zero since the asset pertains to discontinued product line with no expected cash flow. This is an indication of impairment resulting in an impairment loss of ₱525.1 million as at September 30, 2024 (see Notes 11 and 18). Management assessed that any scrap value (FVLCD) is not material.

There are no impairment indicators identified on other property, plant and equipment of the Group in 2024 and 2023. Information on the Group's property, plant and equipment is disclosed in Note 11.

Estimation of Legal contingencies and Regulatory Assessments. As at September 30, 2024 and December 31, 2023, 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 disclosures may seriously prejudice the Group's position and negotiating strategy.

The Group, in consultation with its external and internal legal and tax counsels, believes that its position on these assessments is consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the consolidated financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at September 30, 2024 and December 31, 2023, management has assessed that the probable cash outflow to settle these assessments is not material.

As allowed by PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*, no further disclosures were provided as this might prejudice the Group's position on this matter.

4. Subsidiaries, Significant Acquisitions and Disposals, and Segment Information

The unaudited interim condensed 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 September 30, 2024 and December 31, 2023, are set out below:

			Percentage of Ownership			
		Country of	**2024**		2023	
Subsidiaries	Principal Activity	Incorporation	**Direct**	**Indirect**	Direct	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 (US) of America	–	**100.00**	–	100.00
Cauldron Foods Ltd*	Sales, and Marketing	United Kingdom (UK)	–	**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	–	**56.43**	–	56.43
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	–	**43.57**	–	43.57
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*

a. Investment in MNSPL

In 2023 and 2024, MNC'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

(Forward)

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	296,401
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	370,319

b. Investment in MNUKL

In 2024, MNSPL subscribed and paid for 27,000,000 additional shares of MNUKL at an aggregate subscription price of GBP27.0 million.

c. Investment in KBT

In 2024, the Parent Company subscribed and paid for 1,250,000 additional ordinary shares in KBT at an aggregate subscription price of ₱1,100.0 million.

d. Investment in Amico Innovations, Inc.

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.

Amico recognized subscription receivable from noncontrolling interest amounting to ₱3.7 million as at September 30, 2024. The Group recognized ₱3.8 million equity attributable to noncontrolling interest as at September 30, 2024.

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 manufactures and distributes a variety of meat alternative brands and products to the retail trade and food service customers in the UK, US, Europe (EU) and Asia-Pacific.

In the consumer goods industry, results of operations generally follow 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. Seasonality during certain events also affect the Group's sales (e.g. calamities, COVID-19 pandemic, etc.). In addition, seasonality varies across product types as some of the Group's products have distinct seasonality. The Group believes that diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio and concluded that this is not “highly seasonal” in accordance with PAS 34.

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 PFRSs. Inter-segment revenues, and finance income and expenses are eliminated upon consolidation and reflected in the “Eliminations” column.

	September 30, 2024 (Unaudited)			
	APAC BFB	**Meat Alternative**	**Eliminations**	**Consolidated**
Net sales - third parties	**₱51,050,837**	**₱10,113,512**	**(₱15,632)**	**₱61,148,717**
Costs and expenses	**(38,890,410)**	**(10,571,253)**	**15,632**	**(49,446,031)**
Depreciation and amortization	**(1,475,914)**	**(480,729)**	**–**	**(1,956,643)**
Finance income	**438,134**	**57,533**	**(13,769)**	**481,898**
Finance expense	**(318,382)**	**(278,811)**	**13,769**	**(583,424)**
Loss on change in FV of guaranty asset	**–**	**(722,854)**	**–**	**(722,854)**
Foreign exchange loss - net	**(225,886)**	**(6,048)**	**–**	**(231,934)**
Provision for impairment loss	**(30,843)**	**(525,126)**	**13,784**	**(542,185)**
Share in net earnings from associates and joint venture	**33,790**	**–**	**–**	**33,790**
Other income	**170,101**	**(3,397)**	**–**	**166,704**
Income before income tax	**10,751,427**	**(2,417,173)**	**13,784**	**8,348,038**
Provision for (benefit from) income tax	**2,627,199**	**(366,273)**	**–**	**2,260,926**
Net income (loss)	**₱8,124,228**	**(₱2,050,900)**	**₱13,784**	**₱6,087,112**
Other information				
Total assets	**₱80,361,256**	**₱20,672,215**	**(₱16,196,026)**	**₱84,837,445**
Total liabilities	**₱14,695,448**	**₱5,667,730**	**(₱13,828)**	**₱20,349,350**
Investment in associates and joint venture	**₱1,141,785**	**₱–**	**₱–**	**₱1,141,785**
Capital expenditures	**₱2,219,267**	**₱477,043**	**₱–**	**₱2,696,310**

	September 30, 2023 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱48,949,515	₱10,703,560	(₱7,178)	₱59,645,897
Costs and expenses	(38,999,789)	(11,375,042)	7,178	(50,367,653)
Depreciation and amortization	(1,483,152)	(609,291)	–	(2,092,443)
Finance income	723,945	22,181	(462,500)	283,626
Finance expense	(209,705)	(722,116)	462,500	(469,321)
Foreign exchange gain (loss) - net	300,381	(1,388)	–	298,993
Provision for (reversal of) impairment loss	93,305	(67,386)	–	25,919
Share in net earnings from associates and joint venture	28,229	–	–	28,229
Other income	165,662	4	–	165,666
Income before income tax	9,568,391	(2,049,478)	–	7,518,913
Provision for (benefit from) income tax	2,083,399	(363,785)	–	1,719,614
Net income	₱7,484,992	(₱1,685,693)	₱-	₱5,799,299

Other information

	December 31, 2023 (Audited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
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

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:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Domestic	**₱47,582,704**	₱45,674,183
Foreign	**13,566,013**	13,971,714
	₱61,148,717	₱59,645,897

The Group has no customer which contributes 10% or more to the consolidated revenues of the Group.

The table below shows the Group's carrying amount of non-current assets per geographic location (excluding guaranty asset, noncurrent financial assets at FVOCI, noncurrent receivables, advances to employees under other noncurrent assets, and deferred tax assets).

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Domestic:		
Property, plant and equipment (Note 11)	**₱19,081,339**	₱17,773,850
Investments in associates and joint ventures	**1,141,785**	1,125,054
Intangible assets (Note 12)	**621,050**	616,026
Other noncurrent assets (Note 13)	**1,242,011**	707,548
Total	**22,086,185**	20,222,478
Foreign:		
Property, plant and equipment (Note 11)	**₱7,468,304**	₱7,381,870
Intangible assets (Note 12)	**8,715,889**	8,196,808
Other noncurrent assets (Note 13)	**339,128**	143,400
	16,523,321	15,722,078
	₱38,609,506	₱35,944,556

5. Cash and Cash Equivalents

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand and in banks	**₱5,500,797**	₱4,003,047
Cash equivalents	**9,890,095**	12,675,841
	₱15,390,892	₱16,678,888

Cash in banks earn 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.

6. Trade and Other Receivables

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivables	**₱6,966,343**	₱6,367,707
Other receivables	**47,262**	65,963
	7,013,605	6,433,670
Allowance for expected credit loss (ECL)	**(5,977)**	(23,532)
	₱7,007,628	₱6,410,138

Trade receivables pertain to receivables from sale of goods to non-related parties which are noninterest-bearing and are generally on 30-60 days' terms.

Other receivables comprise of various receivables from employees, accruals for interest from short term placements, receivable from suppliers, and advances made to employees for SSS claims. These are noninterest-bearing and normally settled through salary deductions.

Movements in the allowance for ECL follow:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at January 1	**₱23,532**	₱37,546
Provision for ECL (Note 18)	**1,832**	7,750
Write-off	**(982)**	(22,137)
Currency translation adjustments	**(18,405)**	373
Balance at end of period	**₱5,977**	₱23,532

7. Inventories

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
At cost:		
In-transit	**₱196,605**	₱121,843
Finished goods	**190,481**	112,829
Packaging and other materials	**84,907**	16,731
Work in-process	**16,902**	8,333
	488,895	259,736
At NRV:		
Finished goods	**3,582,364**	3,555,491
Raw materials	**2,693,585**	3,039,201
Work in-process	**1,114,722**	1,508,941
Packaging and other materials	**1,002,383**	823,158
	8,393,054	8,926,791
	₱8,881,949	₱9,186,527

The cost of inventories carried at NRV are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Finished goods	**₱3,609,811**	₱3,748,267
Raw materials	**2,680,721**	3,070,112
Work in-process	**1,194,975**	1,589,899
Packaging and other materials	**1,101,419**	907,658
	₱8,586,926	₱9,315,936

Provision for inventory obsolescence amounted to ₱41.3 million and ₱253.2 million for the nine months ended September 30, 2024 and 2023, respectively (shown as part of "Cost of goods sold" account). The Group wrote off inventories amounting to ₱254.7 million and ₱390.9 million for the nine months ended September 30, 2024 and 2023, respectively.

The cost of inventories recognized under "Cost of goods sold" account amounted to ₱39,792.4 million and ₱41,087.0 million for the nine months ended September 30, 2024 and 2023, respectively (see Note 17).

Under the terms of the agreements covering liabilities under trust receipts totaling ₱1,075.7 million and ₱1,607.3 million as at September 30, 2024 and December 31, 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.

8. Prepayments and Other Current Assets

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Prepayments	**₱476,614**	₱467,587
Input VAT	**239,473**	165,010
Creditable withholding tax and other credits	**153,107**	136,834
Deferred input VAT	**25,809**	319,256
Other current assets	**1,778**	13,938
	896,781	1,102,625
Allowance for non-recoverability of other current assets	**(2,980)**	(2,951)
	₱893,801	₱1,099,674

9. **Current Financial Assets**

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Loans receivable:		
Related parties (Note 20)	**₱208,215**	₱287,571
Others (Note 23)	**600,000**	500,000
Financial assets at FVTPL	**1,175,151**	2,042,058
	1,983,366	2,829,629
Allowance for ECL (Note 20)	**(115,266)**	(115,266)
	₱1,868,100	₱2,714,363
Current portion	**₱1,175,151**	₱2,714,363
Noncurrent portion	**692,949**	−
	₱1,868,100	₱2,714,363

Loans receivable from 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 ₱168.1 million ($3.0 million) loan to MNSG Holdings Pte. Ltd. from July 3, 2024 to July 3, 2034. The extension of maturity resulted to a loss on loan modification amounting to ₱83.2 million (see Notes 19 and 20).

This loan is presented under “Noncurrent receivables” account and “Current financial assets” account in 2024 and 2023, respectively, in the consolidated statement of financial position (see Note 20).

Others. Other loans receivable pertains to interest-bearing loans receivable from Sandpiper Spices and Condiments Corporation (SSCC) in 2024 and 2023 (see Note 23).

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

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:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at January 1	**₱2,042,058**	₱1,756,101
Acquisitions	**2,580,534**	3,871,363
Disposal	**(3,500,425)**	(3,672,926)
Fair value change during the year	**54,848**	92,600
Foreign exchange loss	**(1,864)**	(5,080)
Balance at end of period	**₱1,175,151**	₱2,042,058

10. **Noncurrent Financial Assets**

Financial Assets at FVOCI

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
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	**(180,459)**	(328,107)
	(415,589)	(563,237)
	₱748,349	₱600,701

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 and as at December 31, 2023. 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 value of the guaranty asset:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
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	**(722,854)**	1,301,750
Cumulative translation adjustment	**638,912**	26,430
	₱10,348,314	₱10,432,256

Sensitivity analysis

As the fair value calculations of the guaranty asset is dependent on the impairment loss on MNSPL's investment in MNUKL, any increase in the impairment loss on investment in MNUKL would result in an increase in the fair value gain on guaranty asset recognized in profit or loss.

11. Property, Plant and Equipment

September 30, 2024	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-ications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Cost													
Balance at January 1, 2024	₱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	–	372	653,738	–	326,779	36,962	15,960	2,736	715,971	943,792	792,666	4,694	3,493,670
Disposals and retirement	–	–	(488,040)	(5,345)	(2,019,119)	(108,020)	(19,792)	(22,375)	(23,788)	(55,921)	–	(50,624)	(2,793,024)
Reclassifications	–	–	1,208,562	331	1,682,750	59,534	–	35,258	(514,618)	(2,471,817)	–	–	–
Foreign currency translation adjustments	32,474	475	276,867	4,468	1,084,766	12,443	313	12,996	3,949	248,282	–	–	1,677,033
Balance at September 30, 2024	502,048	7,307	15,328,471	162,038	37,169,122	536,113	162,296	475,228	2,093,010	3,938,544	3,691,130	595,703	64,661,010
Accumulated Depreciation													
Balance at January 1, 2024	–	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 17, 18 and 19)	–	246	484,745	4,237	1,147,995	40,330	17,724	65,776	–	–	73,107	48,572	1,882,732
Disposals and retirement	–	–	(484,170)	(1,973)	(2,015,132)	(107,488)	(18,044)	(22,282)	–	–	–	(20,677)	(2,669,766)
Reclassifications	–	–	(1,464)	–	1,464	–	–	–	–	–	–	–	–
Foreign currency translation adjustments	–	357	123,389	7,910	454,818	4,705	129	10,976	–	–	–	–	602,284
Balance at September 30, 2024	–	5,230	6,085,925	115,540	17,902,054	318,742	62,032	398,143	–	–	458,806	240,046	25,586,518
Accumulated Impairment Loss													
Balance at January 1, 2024	–	–	997,622	955	8,466,664	22,280	–	1,791	486,312	1,380,719	–	–	11,356,343
Impairment loss			–	–	525,126	–	–	–	–	–	–	–	525,126
Foreign currency translation adjustments	–	–	39,396	–	526,690	–	–	–	–	77,294	–	–	643,380
Balance at September 30, 2024	–	–	1,037,018	955	9,518,480	22,280	–	1,791	486,312	1,458,013	–	–	12,524,849
Net Book Value	₱502,048	₱2,077	₱8,205,528	₱45,543	₱9,748,588	₱195,091	₱100,264	₱75,294	₱1,606,698	₱2,480,531	₱3,232,324	₱355,657	₱26,549,643

December 31, 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	ROU Others	Total
Cost													
Balance at January 1, 2023	₱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 December 31, 2023	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 January 1, 2023	–	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 17, 18 and 19)	–	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 December 31, 2023	–	4,627	5,963,425	105,366	18,312,909	381,195	62,223	343,673	–	–	385,699	212,151	25,771,268

(Forward)

	December 31, 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**	**ROU Others**	**Total**
Accumulated Impairment Loss													
Balance at January 1, 2023	−	−	984,052	955	2,267,384	−	−	36	571,765	228,117	−	−	4,052,309
Impairment loss	−	−	(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 December 31, 2023	−	−	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

The Group recognized net provision for (reversal of) impairment loss on property, plant and equipment amounting to ₱525.1 million and (₱25.9 million) for the nine months ended September 30, 2024 and 2023, respectively (see Note 18).

For the nine months ended September 30, 2023, the Group acquired property, plant and equipment amounting to ₱1,951.2 million and recognized depreciation expense amounting to ₱2,021.6 million (see Note 19).

There are no idle property, plant and equipment nor property, plant and equipment used as collateral as at September 30, 2024 and December 31, 2023.

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱1,885.9 million and ₱2,055.4 million as at September 30, 2024 and December 31, 2023, respectively.

12. Intangible Assets

	September 30, 2024							
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	Total
Cost								
Balance at January 1, 2024	₱17,318,215	₱18,810,500	₱727,560	₱66,141	₱2,593	₱14,459	₱482,640	₱37,422,108
Additions	−	−	−	−	4,830	−	76,183	81,013
Disposals and retirement	−	−	−	−	−	−	(17,421)	(17,421)
Foreign currency translation adjustments	1,098,656	1,187,607	−	−	191	−	4,252	2,290,706
Balance at September 30, 2024	18,416,871	19,998,107	727,560	66,141	7,614	14,459	545,654	39,776,406
Accumulated Amortization								
Balance at January 1, 2024	−	44,362	342,560	7,827	1,904	−	255,768	652,421
Amortization (Notes 18, 19 and 20)	−	−	27,283	5,545	237	−	40,846	73,911
Disposals and retirement	−	−	−	−	−	−	(17,421)	(17,421)
Foreign currency translation adjustments	−	2,814	−	−	154	−	3,342	6,310
Balance at September 30, 2024	−	47,176	369,843	13,372	2,295	−	282,535	715,221
Accumulated Impairment Loss								
Balance at January 1, 2024	17,318,215	10,631,507	−	−	−	7,131	−	27,956,853
Foreign currency translation adjustments	1,098,656	668,737	−	−	−	−	−	1,767,393
Balance at September 30, 2024	18,416,871	11,300,244	−	−	−	7,131	−	29,724,246
Net Book Value	₱−	₱8,650,687	₱357,717	₱52,769	₱5,319	₱7,328	₱263,119	₱9,336,939

	December 31, 2023							
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	Total
Cost								
Balance at January 1, 2023	₱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 December 31, 2023	17,318,215	18,810,500	727,560	66,141	2,593	14,459	482,640	37,422,108
Accumulated Amortization								
Balance at January 1, 2023	−	42,374	306,182	700	1,739	−	213,636	564,631
Amortization (Notes 18, 19 and 20)	−	−	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 December 31, 2023	−	44,362	342,560	7,827	1,904	−	255,768	652,421
Accumulated Impairment Loss								
Balance at January 1, 2023	16,542,239	4,143,587	−	−	−	2,481	−	20,688,307
Impairment loss	−	6,172,458	−	−	−	4,650	−	6,177,108
Foreign currency translation adjustments	775,976	315,462	−	−	−	−	−	1,091,438
Balance at December 31, 2023	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

Amortization of the intangible assets for the nine months ended September 30, 2024 and 2023 amounted to ₱73.9 million and ₱70.8 million, respectively (see Note 19).

The Group performs its annual impairment test every year-end.

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).

13. Other Noncurrent Assets

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Advances to suppliers and contractors	**₱1,218,672**	₱630,367
Refundable and other deposits	**235,425**	34,743
Advances to employees	**100,723**	90,591
Deferred input VAT for amortization	**94,973**	153,171
Others	**32,069**	32,667
	₱1,681,862	₱941,539

14. Accounts Payable and Other Current Liabilities and Refund Liabilities

Accounts Payable and Other Current Liabilities

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade payables		
Non-related parties	**₱5,155,351**	₱4,911,912
Related parties (Note 20)	**29,858**	49,204
Nontrade payables	**2,098,812**	4,042,437
Accruals for:		
Advertising and promotions	**1,068,790**	499,758
Personnel costs	**549,699**	352,937
Selling, general and administrative expenses	**427,575**	281,235
Trade spend	**245,885**	206,821
Other accruals	**267,758**	198,267
Statutory payables	**807,086**	890,434
Provisions	**103,950**	166,265
Others	**54,559**	85,040
	₱10,809,323	₱11,684,310

Other accruals mainly represent accruals for freight, interest payable, non-trade services and are generally settled the following month.

Refund Liabilities

As at September 30, 2024 and December 31, 2023, the Group's refund liabilities consist of the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Refund liabilities:		
Arising from rights of return	**₱341,900**	₱346,835
Arising from retrospective volume discounts	**34,311**	59,842
	₱376,211	₱406,677

15. **Loans Payable**

Description	Maturities	Interest Rates	**September 30, 2024** (Unaudited)	December 31, 2023 (Audited)
MFL				
£105.0 million term loan	June 2025 subject to extension of 2 years	Margin and SONIA	**₱2,027,211**	₱3,812,556
£5.0 million revolving credit facility	September 2023	Margin and SONIA	**375,410**	353,015
£4.0 million revolving credit facility	November 2022	Margin and SONIA	**300,327**	282,412
£3.0 million revolving credit facility	October 2023	Margin and SONIA	**225,245**	211,808
£5.0 million credit facility	September 2024	SONIA and 1.20% p.a.	**375,410**	353,016
			3,303,603	5,012,807
Unamortized debt issue costs			**(42,092)**	(78,780)
			₱3,261,511	₱4,934,027
Current portion			**₱1,276,392**	₱1,200,251
Non-current portion			**1,985,119**	3,733,776
			₱3,261,511	₱4,934,027

MFL Loan

As at September 30, 2024 and December 31, 2023, MFL has outstanding unsecured loans payable amounting to ₱3,303.6 million (£44.0 million) and ₱5,012.8 million (£71.0 million), respectively. The sterling term loan facility amounting to ₱7,883.6 million (£105.0 million) with maturity on June 2025 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 September 30, 2023 and each quarter thereafter
- The Group is required to maintain an interest cover of greater than 3.0 from September 30, 2023 and each quarter thereafter.

The facility also includes a revolving credit facility of ₱1,126.2 million (£15.0 million) subject to the same financial covenants above. MFL had drawn down ₱901.0 million (£12.0 million) and ₱847.2 million (£12.0 million) as at September 30, 2024 and December 31, 2023, respectively.

In 2023, MFL obtained and drew an uncommitted short term credit facility with a financial institution amounting to ₱375.4 million (£5.0 million).

As at September 30, 2024 and December 31, 2023, the Group is in compliance with these covenants.

For the nine months ended September 30, 2024 and 2023, interest expense related to the loans amounted to ₱221.9 million and ₱210.6 million, respectively (see Note 19).

The movement in unamortized debt issue costs of loans payable is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Loans Payable		
Balance at January 1	**₱78,780**	₱97,881
Additions (reductions) during the period	**(4,273)**	22,471
Amortization during the period (Note 19)	**(36,264)**	(45,244)
Foreign currency translation adjustments	**3,849**	3,672
Total	**₱42,092**	₱78,780

For the nine months ended September 30, 2023, amortization of debt issue costs amounted to ₱34.3 million (see Note 19).

16. Equity

Capital Stock

The details of the Parent Company's common stock as at September 30, 2024 and December 31, 2023 follows:

Par value per share	₱0.50
Number of shares:	
Authorized	20,400,000,000
Issued and outstanding	17,968,611,496

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 September 30, 2024 and December 31, 2023. With respect to the Parent Company's stockholders as at December 31, 2023, the shares were either held (a) in a certificated form or (b) in scripless form held under the account of PCD Nominee Corp. (PCD Nominee) through 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).

Dividend Declaration
On April 10, 2024 and November 29, 2023, the Parent Company's BOD approved and declared the issuance of regular cash dividends to stockholders of record for ₱0.12 per common share or ₱2,156.2 million, which was paid on June 5, 2024 and January 11, 2024, respectively.

Equity Restructuring
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.

Reversal of Retained Earnings Appropriation
On March 22, 2023, the Parent Company's BOD approved the reversal of the 2022 appropriation amounting to ₱5,000.0 million for expansions and other capital requirements.

Restriction on Retained Earnings
As at September 30, 2024 and December 31, 2023, undistributed retained earnings of subsidiaries amounting to ₱5,033.0 million and ₱3,965.2 million, respectively, are not available for dividend declaration until the actual declaration of the subsidiaries. Further, the undistributed retained earnings include appropriated retained earnings of MMYSC and MIL amounting to ₱211.5 million as at September 30, 2024 and December 31, 2023.

Equity Reserve

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Initial recognition of guaranty asset at fair value:		
MNSPL	**₱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)
	₱8,491,788	₱8,491,788

Cumulative Translation Adjustments

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Foreign investments:		
MNSPL	**(₱349,169)**	(₱2,149,989)
MNTH	**230,075**	(15,113)
MNIIL	**(185,058)**	(185,267)
MIL	**23,016**	(50,181)
Cross currency swap:		
MNC	**(705,002)**	(492,938)
	(₱986,138)	(₱2,893,488)

Cumulative translation adjustments are attributable to equity holders of the Parent Company as at September 30, 2024 and December 31, 2023.

Earnings per Share

The following reflects the income and share data used in the basic and diluted EPS computation:

	Quarters Ended September 30		Nine Months Ended September 30	
	2024 (Unaudited)	2023 (Unaudited)	**2024** (Unaudited)	2023 (Unaudited)
Net income attributable to equity holders of the parent	**₱1,991,081**	₱2,303,647	**₱6,080,808**	₱5,789,426
Weighted average number of common shares	**17,968,611,496**	17,968,611,496	**17,968,611,496**	17,968,611,496
Basic/diluted EPS	**₱0.111**	₱0.128	**₱0.338**	₱0.322

17. **Net Sales and Cost of Goods Sold**

Net Sales by Geography and Operating Segment

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
APAC BFB		
Philippines	**₱47,582,704**	₱45,674,183
Other countries	**3,468,133**	3,275,332
	51,050,837	48,949,515
Meat Alternative		
United Kingdom	**7,928,077**	8,325,967
United States	**544,088**	703,309
Other countries	**1,625,715**	1,667,106
	10,097,880	10,696,382
	₱61,148,717	₱59,645,897

All revenues are recognized at a point in time.

Cost of Goods Sold

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Direct materials	**₱29,823,474**	₱31,785,051
Direct labor	**2,413,450**	2,258,432
Manufacturing overhead (Notes 11, 12 and 19)	**7,153,466**	7,288,447
Total manufacturing costs	**39,390,390**	41,331,930
Inventory movements (Note 7):		
Work in-process	**386,354**	(162,959)
Finished goods	**15,641**	(81,976)
	₱39,792,385	₱41,086,995

18. **Sales, General and Administrative Expenses**

General and Administrative Expenses

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Salaries, wages and employee benefits	**₱3,625,572**	₱3,250,317
Outside services	**623,405**	804,354
Depreciation and amortization (Notes 11 and 12)	**386,377**	406,342
Research and development	**220,739**	152,678
Insurance	**167,331**	180,209
Repairs and maintenance	**160,722**	140,379
Taxes and licenses	**126,389**	145,139
Traveling expenses	**87,829**	60,465
Light, water and telecommunication	**84,618**	75,429
Entertainment, amusement and recreation	**84,138**	81,926
Fringe benefit tax	**59,249**	78,446
Warehouse and office supplies	**58,177**	50,397
Rent (Note 20)	**44,921**	49,026
Recruitment and training expenses	**18,312**	33,799
Bank charges	**14,611**	8,374
Donations	**8,759**	8,464
Provision for ECL (Note 6)	**1,832**	12,671
Others	**214,746**	383,471
	₱5,987,727	₱5,921,886

Selling and Distribution Expenses

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Transportation and delivery	**₱2,511,086**	₱2,334,680
Advertising and promotions	**2,502,536**	2,483,672
Merchandising expense	**528,856**	543,312
Dealer support	**80,084**	89,551
	₱5,622,562	₱5,451,215

Provision for (reversal of) impairment loss - net

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Property, plant and equipment - net (Note 11)	**₱525,126**	(₱25,919)
Investments in associates and joint venture	**17,059**	–
	₱542,185	(₱25,919)

19. Finance Income and Costs, Depreciation and Amortization Expense, Personnel Costs and Miscellaneous Income

Finance Income

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Cash and cash equivalents	**₱406,119**	₱271,667
Loans receivable (Notes 20 and 23)	**10,187**	11,959
Amortization of financing cost (Note 9)	**2,026**	–
	₱418,332	₱283,626

Finance Costs

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Interest on loans payable (Note 15)	**₱221,944**	₱210,644
Interest expense on lease liabilities	**131,885**	139,914
Acceptance and trust receipts payable	**91,787**	79,963
Loss on loan modification (Note 9)	**83,231**	–
Amortization of debt issue costs (Note 15)	**36,264**	34,266
Others	**18,313**	12
	₱583,424	₱464,799

Depreciation and Amortization Expense

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Property, plant and equipment (Note 11)	**₱1,882,732**	₱2,021,638
Intangible assets (Note 12)	**73,911**	70,805
	₱1,956,643	₱2,092,443

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Cost of goods sold (Note 17)	**₱1,570,266**	₱1,686,101
Sales, general and administrative expense (Note 18)	**386,377**	406,342
	₱1,956,643	₱2,092,443

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, and other miscellaneous items which are recorded under the "Miscellaneous income" account in the consolidated statements of comprehensive income.

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 following are the significant transactions with related parties:

Nature	Period ended	Volume of Transactions	Outstanding Balance	Terms	Conditions
Associates and joint ventures					
Monde Land, Inc. (MLI)					
Rent expense	**September 30, 2024**	**₱44,457**	**(₱10,418)**	15 days;	Unsecured
	December 31, 2023	64,808	–	noninterest-bearing	
	September 30, 2023	48,606	–		
Honey Droplet Ltd.					
Advances and interest income	**September 30, 2024**	**–**	**–**	4-6 years;	Unsecured;
	December 31, 2023	–	–	interest-bearing	Gross advances
	September 30, 2023	–	–		amounted to ₱115.3 million in 2024 and 2023; fully impaired in 2024 and 2023
Calaca Harvest Terminal Inc. (CHTI)					
Transportation and delivery	**September 30, 2024**	**243,340**	**(17,564)**	15 days;	Unsecured
expense and wheat handling fees	December 31, 2023	324,596	(49,204)	noninterest-bearing	
	September 30, 2023	250,972	(37,357)		
Common shareholders					
PT. Nissin Biscuit Indonesia					
Trade purchases, net	**September 30, 2024**	**40,098**	**(1,876)**	45 days;	Unsecured
	December 31, 2023	46,075	–	noninterest-bearing	
	September 30, 2023	34,888	–		
MNSG Holdings Pte. Ltd.					
Guaranty asset	**September 30, 2024**	**10,348,314**	**10,348,314**	Refer to Note 10	Unsecured
	December 31, 2023	10,432,256	10,432,256		
	September 30, 2023	–	–		
Loans receivable - net (Notes 9 and 19)*	**September 30, 2024**	**–**	**92,949**	10 years;	Unsecured
	December 31, 2023	–	172,305	noninterest-bearing	
	September 30 2023	–	166,675		
Loans receivable - net (Notes 9 and 19)*	**September 30, 2024**		**₱92,949**		
	December 31, 2023		172,305		
	September 30 2023		166,675		
Trade and other payables (Note 14)	**September 30, 2024**		**(29,858)**		
	December 31, 2023		(49,204)		
	September 30 2023		(37,357)		

**Presented under "noncurrent receivables" in 2024 and "current financial assets" in 2023*

<u>MNSG Holdings Pte. Ltd.</u>
On July 3, 2022, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱157.8 million ($3.0 million) loan to MNSG Holdings Pte. Ltd. with an interest rate of 4.83% per annum. The loan will mature on July 3, 2024.

On July 3, 2024, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱168.1 million ($3.0 million) loan to MNSG Holdings Pte. Ltd. from July 3, 2024 to July 3, 2034. The extension of maturity resulted to a loss on loan modification amounting to ₱83.2 million (see Notes 9 and 19).

Interest income from loans receivable from MNSG Holdings Pte. Ltd. amounted to ₱4.3 million and ₱6.0 million for the nine months ended September 30, 2024 and 2023, respectively (see Note 19).

21. **Income Tax**

Deferred Income Tax

The components of the Group's net deferred tax assets and net deferred tax liabilities are as follow:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Deferred tax assets - net		
Allowance for impairment loss	**₱301,922**	₱337,806
Pension liability	**257,399**	237,520
Accrued expenses	**140,502**	95,474
Refund liabilities	**94,053**	101,669
Derivative liability	**79,617**	27,064
Right-of-use assets and lease liabilities	**64,623**	54,251
Unrealized profits from intercompany sales	**41,658**	23,356
Unrealized foreign exchange gain	**(21,318)**	(23,653)
Excess of the tax base over the carrying amounts of non-monetary assets	**14,162**	11,280
NOLCO	**8,863**	8,420
Unamortized past service cost	**7,479**	8,452
Advances from customers	**3,932**	14,634
Allowance for inventory obsolescence	**2,834**	43,288
Allowance for ECL	**1,467**	4,410
Others	**(9,010)**	(7,006)
	988,183	936,965
Deferred tax liabilities - net		
Brand	**(2,162,672)**	(2,033,658)
NOLCO	**1,004,399**	722,985
Property, plant and equipment	**694,947**	530,984
Interest expense	**434,828**	394,536
Interest income	**(802)**	(754)
Others	**2,311**	4,170
	(26,989)	(381,737)
	₱961,194	₱555,228

22. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, current financial assets, loans receivable, noncurrent receivables, guaranty asset, 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, loans payable and lease liabilities, which arise directly from its operations.

Set out below, is an overview of financial assets and financial liabilities held by the Group as at September 30, 2024 and December 31, 2023:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Financial Assets		
Cash and cash equivalents	**₱15,390,892**	₱16,678,888
Trade and other receivables	**7,007,628**	6,410,138
Current financial assets	**1,175,151**	2,714,363
Guaranty asset	**10,348,314**	10,432,256
Financial assets at FVOCI	**748,349**	600,701
Noncurrent receivables	**692,949**	–
Advances to employees*	**100,723**	90,591
	35,464,006	36,926,937
Financial Liabilities		
Accounts payable and other current liabilities**	**10,002,237**	10,793,876
Dividends payable	–	2,156,233
Loans payable***	**3,322,169**	5,033,554
Acceptance and trust receipts payable	**1,075,734**	1,607,336
Lease liabilities***	**7,900,279**	7,954,981
	22,300,419	27,545,980
	₱13,163,587	₱9,380,957

**Recorded under "other noncurrent assets"*
*** Excluding statutory payables.*
****Includes future interest.*

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.

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.

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.

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 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.
The aging analysis of trade and other receivables as at September 30, 2024 and December 31, 2023 follows:

	September 30, 2024						
		Days Past Due					
	Current	**1–30 Days**	**31–60 Days**	**61–90 Days**	**More than 90 Days**	**ECL**	**Total**
Trade and other receivables:							
Non-related parties	**₱6,414,437**	**₱412,584**	**₱78,348**	**₱33,945**	**₱21,052**	**₱5,977**	**₱6,966,343**
Other receivables	**47,262**	**–**	**–**	**–**	**–**	**–**	**47,262**
Loans receivable	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Noncurrent receivables	**692,949**	**–**	**–**	**–**	**–**	**115,266**	**808,215**
	₱7,154,648	**₱412,584**	**₱78,348**	**₱33,945**	**₱21,052**	**₱121,243**	**₱7,821,820**

	December 31, 2023						
		Days Past Due					
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Trade receivables:							
Non-related parties	₱5,618,685	₱662,126	₱28,586	₱21,727	₱13,051	₱23,532	₱6,367,707
Related parties	–	–	–	–	–	–	–
Other receivables	65,963	–	–	–	–	–	65,963
Loans receivable*	672,305	–	–	–	–	–	672,305
Noncurrent receivables	–	–	–	–	–	115,266	115,266
	6,356,953	₱662,126	₱28,586	₱21,727	₱13,051	₱138,798	₱7,221,241

**Presented under "current financial assets"*

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 17% of the Group's long-term debt will mature in less than one year at September 30, 2024 and December 31, 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.

Derivative Financial Instruments
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 Knock Out (EKO) to manage its foreign currency, financial, 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 (dual currency investment, structured note, and binary note) are recognized in the consolidated statements of income.

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
$6,500	09/11/24	12/12/24	USD	GBP	1.285	6.90% p.a.

Structured Note
The Group invested in a structured note that offers enhanced return when the underlying asset trades at or above its initial price at maturity while offering a pre-determined minimum level of capital return at maturity. Structured note is nil as at September 30, 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 September 30, 2024.

The Group recognized fair value gain of ₱29.9 million and ₱52.4 million from fair value changes of structured note and binary note for the nine months ended September 30, 2024 and 2023, respectively, under the "Fair value gain on financial instruments at fair value through profit or loss (FVTPL)" account in the consolidated statement of comprehensive income.

Guaranty Asset
Details of the guaranty asset can be referred in Note 10.

CCS contract
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. For the nine months ended September 30, 2024 and 2023, the Group recognized (₱212.1 million) and ₱36.4 million cumulative translation gain (loss) adjustment under other comprehensive income, respectively. The Group recognized ₱63.6 million and (₱4.5 million) derivative gain (loss) from swaps entered and settled during the same period for the nine months ended September 30, 2024 and 2023, respectively.

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 periods ended September 30, 2024 and December 31, 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 attributable to equity holders of the Parent Company.

The Group's debt-to-equity ratios are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total debt	**₱20,349,350**	₱25,596,271
Total equity attributable to equity holders of the Parent Company	**64,368,057**	58,388,484
Debt-to-Equity Ratio	**0.32:1.00**	0.44:1.00

Fair Value of Financial Instruments

Cash and Cash Equivalents, Trade and Other Receivables, Current Loans Receivable, 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 September 30, 2024 and December 31, 2023 due to the short-term nature of these financial instruments.

Loans Receivable, Noncurrent Receivables, Advances to Employees, and Loans Payable. As at September 30, 2024 and December 31, 2023, the fair value of loans receivable, 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 consist of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. As at September 30, 2024 and December 31, 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 September 30, 2024 and December 31, 2023.

The fair value of FCG 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.

23. **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 12). 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 September 30, 2024 and December 31, 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 ₱5.9 million as at September 30, 2024 and 2023 (see Note 19).

24. **Supplemental Disclosure to Cash Flow Statements**

The Group’s material noncash activities are as follows:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Cumulative translation adjustments	**(₱1,907,350)**	(₱156,388)
Additions to ROU assets (Note 11)	**797,360**	37,238

25. Subsequent Events

Dividend Declaration
On November 6, 2024, the Parent Company's BOD approved and declared the issuance of regular cash dividends to stockholders of record as at December 2, 2024 for ₱0.14 per common share, payable on December 27, 2024.

Deed of Absolute Sale and Lease Agreement with Atlantic Grains Inc.
On November 6, 2024, the Parent Company's BOD approved and authorized the Parent Company to enter into a Deed of Absolute Sale with Atlantic Grains Inc. ("AGI") for the Parent Company's purchase from AGI of certain buildings and machineries for a consideration of ₱750.0 million, and long term lease agreement/s with AGI for the latter's properties where the buildings and machineries are located.

Additional Subscription to KBT
On November 6, 2024, the Parent Company's BOD approved and authorized the Parent Company to subscribe for another 20,000 common shares of KBT International Holdings, Inc. for a subscription price of ₱200.0 million.

Donation to Monde Nissin Foundation
On November 6, 2024, the Parent Company's BOD approved and authorized the Parent Company to donate an initial endowment of ₱45.0 million to the Monde Nissin Foundation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS OF SEPTEMBER 30, 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 tend to switch to comparable lower-priced staple products and cut back on their consumption of discretionary products, particularly those in the lower socio-economic classes.

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 results of the Group.

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. To take advantage of the "premiumization" trend, particularly from the growing and rising middle class seeking higher quality and higher value products, the Group expanded its mass premium segment (the segment between premium and mainstream price points) by launching instant noodles with Asian flavors and instant pasta under the *Lucky Me!* brand and introducing *Monde Specials* as its mass premium packaged baked goods line offering high-quality baked products such as sponge cake, among other initiatives.

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, including advertisement on television, radio programs, social media platforms (such as YouTube, Facebook, Instagram, X, and TikTok), its website, program sponsorships, billboards, and brand activation roadshows. Customer touchpoints at the purchase stage include in-store promotions and loyalty programs. In addition, the Group partners with celebrities and other key influencers for media or online collaborations and events.

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 affiliated own 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 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 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 regional brands that offer different flavors and taste experiences. The biscuits and other fast-moving consumer product groups face competition from multinational, national, regional, and local 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. This is projected to continue in 2024 with growth rates projected to be at the top of the ASEAN peer group. 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 commodity and energy/fuel costs. While key commodity costs of the Group continue to trend down in 3Q 2024, the continued threat of a larger middle east conflict contagion around the Israel/Hamas war could drive especially oil prices to unprecedented levels, as well as disrupt international shipping routes due to the Red Sea route being abandoned resulting in increased costs for longer routes. As an upside risk harvest and planting reports in Q2 have generally been favorable for wheat in anticipation of generally ample supply. The Group notes that the world market prices have gone down from their peak prices, a significant downside risk remains in case of escalations around these conflicts and any change in supply scenarios. Furthermore, recently cocoa has reached all-time highs due to production concerns which the group is monitoring even if this is immaterial to the Group's overall cost of goods sold. As consumers grapple with economic 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. Recently, rice prices continued to drive inflation and could further impact consumer decisions of having to make choices between food groups. Political intervention via rice tariff reduction has not yet yielded countable results in consumer price reductions. The wet season/La Niña period may impact the group's operation, demand for relief goods, and consumer behavior. 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. In addition, consumers continue to down-trade and opt for affordable shelf-stable food items wherein instant noodles are among the cheapest meal options.

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. Container rates continue to remain generally elevated in 2024 versus the lows of 2023 due to various factors and may impact the demand for the group's export goods in overseas markets.

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. The UK continues to be affected by inflation, as well as the lingering effects of the exit from the European Union. Labor shortages in the food and transport industry and persistent commodity and utility inflation are present and persisting in 2024. Food inflation which is impacting consumers disposable income and purchasing habits has been noted to abate to more manageable levels in recent months, but consumers are still adjusting to the increase cost of living as seen in weak retail sales figures. The effects of the previous periods of significant inflation, and the high-interest rate environment, may impact the consumer buying behavior on a prolonged basis, as well as the company's input costs. The political environment in the UK presently provides additional uncertainty as crucial policy decisions around energy price support for industry, corporate taxation, and others are constantly evolving as the the newly elected UK government is just starting to set its policy and legislative targets. This environment may impact the operation of the Group.

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 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's sales. In addition, seasonality varies across product types. Some of the APAC BFB's products have distinct seasonality. For instance, *Lucky Me!* Wet pouch instant noodles see increase in sales in the cold months due to consumers' preference for warm food. The Philippine national and local government also sources instant noodles and crackers, as staples in its relief goods packages, from the APAC BFB for distribution to the public. 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, 2023 and as at September 30,2024 and for the nine months ended September 30, 2023, September 30, 2024, was derived from the Group's unaudited consolidated financial statements, prepared in accordance with Philippine Accounting Standards 34, *Interim Financial Reporting.* The information below is not necessarily indicative of the results of future operations.

In this report and as defined below, 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 (PFRSs). 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 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). YTD 2023 and 2024 NRE refer to restructuring costs in Meat Alternative Business. 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 Unaudited Consolidated Financial Statements and related notes of Monde Nissin Corporation ("MNC" or "the Parent Company" and its subsidiaries (collectively, referred to as the "Group") as at and for the nine months ended September 30, 2024.

I. SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited in ₱ millions, except percentage								
					Reported			Comparable[1]	
	YTD 2024	% to Net Sales (in %)	YTD 2023	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	YTD 2023 Restated	% to Net Sales (in %)	Inc (Dec) (in %)
Net Sales	61,149	100.0	59,646	100.0	1,503	2.5	59,262	100.0	3.2
Less: **Cost of Goods Sold**	39,793	65.1	41,087	68.9	(1,294)	(3.2)	41,087	69.3	(3.2)
Gross Profit	21,356	34.9	18,559	31.1	2,797	15.1	18,175	30.7	17.5
Less**: Sales, General & Administrative (SGA)** [1]	11,324	18.5	10,825	18.1	499	4.6	10,441	17.6	8.5
Other Income/(Expense)									
Miscellaneous Income	20	−	30	−	(10)	(33.3)	30	−	(33.3)
Interest expense [2]	(382)	(0.6)	(345)	(0.6)	(37)	10.7	(345)	(0.6)	10.7
Foreign exchange gain/ (loss) – net [3]	43	0.1	(21)	−	64	*n/m*	(21)	(0.0)	*n/m*
	(319)	(0.5)	(336)	(0.6)	17	(5.1)	(336)	(0.6)	(5.1)
Core Income Before Tax	9,713	15.9	7,398	12.4	2,315	31.3	7,398	12.5	31.3
Less: Provision for income tax [4]	2,253	3.7	1,699	2.8	554	32.6	1,699	2.9	32.6
Core Income (After Tax)	7,460	12.2	5,699	9.6	1,761	30.9	5,699	9.6	30.9
Less: Non-Controlling Interest	6	−	10	0.1	(4)	(40.0)	10	−	(40.0)
Core Income (After Tax) at Ownership	7,454	12.2	5,689	9.5	1,765	31.0	5,689	9.6	31.0

	Unaudited in ₱ millions, except percentages					
	YTD 2024	% to Net Sales (in %)	YTD 2023	% to Net Sales (in %)	Inc (Dec) Amt	Inc (Dec) (in %)
Core Income (After Tax)	**7,460**	**12.2**	**5,699**	**9.6**	**1,761**	**30.9**
Other income (expenses)						
Fair Value (loss) gain on:						
Guaranty asset	(723)	(1.2)	−	−	(723)	*n/m*
Financial assets (FVTPL)	55	0.1	65	0.1	10	*15.4*
Foreign exchange gain (loss) [5]	(275)	(0.4)	320	0.5	(595)	*n/m*
Miscellaneous income	126	0.2	99	0.2	27	27.3
Impairment (loss)/reversal	(542)	(0.9)	26	0.1	(568)	*n/m*
	(1,359)	(2.2)	510	0.7	(1,869)	*n/m*
Finance income (expense)						
Interest expense [6]	(201)	(0.3)	(120)	(0.2)	(81)	*67.5*
Interest income	418	0.7	283	0.5	135	47.7
Derivative gain (loss) – net	64	0.1	(5)	−	69	*n/m*
	281	0.5	158	0.3	123	77.8
Other NRE (Restructuring costs in Meat Alternative)	(287)	(0.5)	(548)	(0.9)	261	(47.6)
Income Tax Provision [7]	(8)	−	(20)	−	12	(60.0)
Reported net income (after tax)	**6,087**	**10.0**	**5,799**	**9.7**	**288**	**5.0**

Note: See "Other Financial Data – reconciliation of PFRS and non-PFRS measures."
n/m = not meaningful %
[1]2023 and 2024 excludes restructuring and impairment loss in MNUK
[2]Recurring interest expense on Loans and Trust Receipts Payable
[3]Foreign exchange gain on U.S dollars balances for the Group's natural hedge.
[4]Based on recurring income tax rate per entity.
[5]Excluding foreign exchange gain on USD reserves for the Group's natural hedge (included in the Core Income calculation above)
[6]Excluding recurring interest expense on Loans and Trust Receipts Payable (included in the Core Income calculation above)
[7]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.

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

	Unaudited in ₱ millions, except percentages								
	Reported						Comparable		
	YTD 2024	% to Total (in %)	YTD 2023	% to Total (in %)	Inc/(Dec)	Inc/(Dec) (in %)	YTD 2023 (Restated)	% to Total (in %)	Inc/(Dec) (in %)
Net Sales									
APAC BFB	51,051	83.5	48,950	82.1	2,101	4.3	48,950	82.6	4.3
Meat Alternative	10,098	16.5	10,696	17.9	(598)	(5.6)	10,312	17.4	(2.1)
Total	**61,149**	**100.0**	**59,646**	**100.0**	**1,503**	**2.5**	**59,262**	**100.0**	**3.2**
Gross Profit		% of Segment Net Sales (in %)		% of Segment Net Sales (in %)				% of Segment Net Sales (in %)	
APAC BFB	19,194	37.6	15,925	32.5	3,269	20.5	15,925	32.5	20.5
Meat Alternative	2,162	21.4	2,634	24.6	(472)	(17.9)	2,250	21.8	(3.9)
Total	**21,356**	**34.9**	**18,559**	**31.1**	**2,797**	**15.1**	**18,175**	**30.7**	**17.5**
Core Income (after tax) at Ownership									
APAC BFB	8,109	15.9	6,448	13.2	1,661	25.8	6,448	13.2	25.8
Meat Alternative	(655)	(6.5)	(759)	(7.1)	104	(13.7)	(759)	(7.4)	(13.7)
Total	**7,454**	**12.2**	**5,689**	**9.5**	**1,765**	**31.0**	**5,689**	**9.6**	**31.0**
Core EBITDA (1)									
APAC BFB	12,327	24.1	10,114	20.7	2,213	21.9	10,114	20.7	21.9
Meat Alternative	(137)	(1.4)	(94)	(0.9)	(43)	45.5	(94)	(0.9)	45.5
Total	**12,190**	**19.9**	**10,020**	**16.8**	**2,170**	**21.7**	**10,020**	**16.9**	**21.7**

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

RESULTS OF OPERATIONS

For the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023.

Net Sales

Consolidated net sales increased by 2.5% on a reported basis and 3.2% on a comparable basis to ₱61,149 million in YTD 2024 driven by volume growth in noodles and other categories and carryover price actions.

APAC BFB

APAC BFB net sales (83.5% of total Group) growth improved to 4.3% to ₱51,051 million in YTD 2024 due to strong domestic and international business performance. The domestic business (93.2% of total APAC BFB) grew by 4.2% in YTD 2024 driven by volume growth in Noodles and other categories and carryover price actions. Solid growth in other categories driven by culinary, beverage, packaged cakes. Biscuits strong performance in Q3 pushed YTD growth to be at par versus prior year due to improvement in demand and supply. Meanwhile, international business (6.8% of total APAC BFB) grew by 5.9% primarily due to solid growth in noodles and recovery of biscuits in Q3.

Meat Alternative

Net sales in the Meat Alternative (16.5% of total Group) decreased by 5.6% on a reported basis, decreased by 6.5% on a comparable and constant currency basis to ₱10,098 million in YTD 2024 because of continue category softness.

Core Cost of Goods Sold (COGS)

Cost of goods sold decreased by 3.2% to ₱39,793 million in YTD 2024, primarily due to lower commodity costs accross segments and volume decline in Meat Alternative segment.

APAC BFB

The cost of goods sold in the APAC BFB segment decreased by 3.5% to ₱31,857 million in YTD 2024, primarily due to lower commodity costs mainly wheat, palm oil, and sugar.

Meat Alternative

The cost of goods sold in the Meat Alternative decreased by 1.6% to ₱7,936 million in YTD 2024. COGS of MNUK in British Sterling Pound declined by 7.2% from £116.4 million in YTD 2023 to £108.6 million in YTD 2024 due to volume decline and lower raw materials and utilities costs.

Gross Profit

Gross profit increased by 15.1% on a reported basis and 17.5% on comparable basis to ₱21,356 million in YTD 2024 due to solid improvement in the APAC BFB segment.

APAC BFB

Gross profit for the APAC BFB segment increased by 20.5% to ₱19,194 million in YTD 2024 primarily due to lower commodity costs and carry over price increases. Gross profit as percentage of sales significantly increased by 5.1%, to 37.6% in YTD 2024.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 17.9% on a reported basis as YTD 2023 includes certain payments to customers that were reported as part of selling/marketing expenses from Q1 to Q3 2023 which were reclassified to sales deduction in Q4 2023. Based on comparable YTD 2023, YTD 2024 decreased by 3.9% to ₱2,162 million due to volume decline partly offset by lower raw materials and utilities costs. On a comparable basis, gross profit as percentage of sales decreased by 0.4%, to 21.4% in YTD 2024.

Core Sales, General and Administrative Expenses (SG&A) (excluding restructuring expenses)

Sales, general and administrative expenses increased by 4.6% on a reported basis and 8.5% on a comparable basis to ₱11,324 million in YTD 2024 primarily due to increase in APAC BFB partly offset by the decline in Meat Alternative. YTD 2024 SG&A as percentage of sales slightly up by 0.9% on comparable basis, to 18.5%.

APAC BFB

SG&A in the APAC BFB segment increased by 14.6%, to ₱8,547 million in YTD 2024 driven by advertising and promo, salaries and wages and transportation costs due to volume growth. YTD 2024 SG&A as percentage of sales increased by 1.5%, to 16.7% primarily due to higher advertising and promotions.

Meat Alternative

Core SG&A in the Meat Alternative segment decreased by 17.5% on a reported basis as YTD 2023 includes certain payments to customers that were reported as part of selling expenses in Q1 to Q3 2023 which were reclassified to contra-revenue in Q4 2023. Based on a comparable YTD 2023, YTD 2024 decreased by 6.9% to ₱2,777 million reflecting the benefits of cost control measures, restructuring in view of continued topline challenges. Moreover, YTD 2024 SG&A as percentage of sales decreased by 1.4% on comparable basis, to 27.5%.

Core Net Foreign exchange (Forex) gains or loss

The amount of net forex gain from USD hedge was ₱43 million in YTD 2024 versus ₱21 million loss in YTD 2023.

Core Income (After Tax) at ownership

Core income (after tax) significantly increased by 31.0% to ₱7,454 million in YTD 2024, mainly due to gross profit expansion in APAC BFB.

Fair value loss on guaranty asset

The Group recorded a non-cash accounting loss due to subsequent fair value changes on the guaranty asset amounting to ₱723 million in YTD 2024 driven by volatility of UK investment and interest rate . Impact of fair value loss was tapered in Q3 as the Group recognized ₱495 million gain in Q3 due to appreciation of stock price. The guaranty asset was related to the agreement ("Top-Up Deed") between MNSPL and MNSG Holdings Pte. Ltd. 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 as at December 31, 2023. 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.

Other Non-Recurring Expenses (NRE)

Other non-recurring expenses pertain to restructuring expenses in Meat Alternative, decreased by 47.6% to ₱287 million in YTD 2024 due to further streamlining of commercial, R&D, and support functions.

Impairment Loss

The Group recorded an impairment loss (before tax) amounting to ₱542 million in YTD 2024. The impairments were made mainly within the Meat Alternative business following rationalisation of activities in MNUKL, which identified that certain items of new manufacturing equipment as well as existing equipment of lower value are unlikely to be adequately utilised to support their value.

Total Income Tax Expense

Total income tax expense increased by 31.5% to ₱2,261 million due to higher operating income in APAC BFB.

Reported Net Loss (after tax)

As a result of the foregoing, the Group reported 5.0% increase in net income to ₱6,087 million in YTD 2024.

STATEMENT OF FINANCIAL POSITION

Financial condition as at September 30, 2024, compared to as at December 31, 2024.

Current Assets

The Group's current assets decreased by 7.6%, from ₱36,090 million as at December 31, 2023 to ₱33,349 million as at September 30, 2024 primarily due to payments of dividends, loans, and capital expenditures (CapEx).

	September 30, 2024		December 31, 2023		Inc/(Dec)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Cash and cash equivalents	15,391	46.0	16,679	46	(1,288)	(7.7)
Trade and other receivables	7,008	21.0	6,410	18	598	9.3
Inventories	8,882	27.0	9,187	25	(305)	(3.3)
Current financial assets	1,175	4.0	2,714	8	(1,539)	(56.7)
Prepayments and other current assets	893	2.0	1,100	3	(207)	(18.8)
Total Current Assets	**33,349**	**100.0**	**36,090**	**100**	**(2,741)**	**(7.6)**

Cash and cash equivalents decreased by 7.7% as at September 30, 2024 to ₱15,391 million due to payment for dividends, MNUK's loans, and Group's capital expenditures.

Trade and other receivable increased by 9.3% as at September 30, 2024 to ₱7,008 due to higher sales YTD 2024.

Current financials assets decreased by 56.7% as at September 30, 2024 to ₱1,175 million mainly due to disposals of financial assets at FVTPL (net of additional investments in YTD 2024).

Prepayments and other current assets decreased by 18.8% as at September 30, 2024 primarily due to effect of Republic Act (RA11976) or Ease of Paying Taxes Act wherein the recognition of input VAT is at invoice for both goods and services and directly to input VAT (offset against output VAT).

Noncurrent Assets

The Group's noncurrent assets increased by 7.3%, from ₱48,005 million as at December 31, 2023 to ₱51,488 million as at September 30, 2024 primarily due to CapEx and effect of foreign exchange translation.

	September 30, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Property, plant and equipment	26,550	52	25,155	52	1,395	5.5
Guaranty Asset	10,348	20	10,432	22	(84)	(0.8)
Intangible Assets	9,337	19	8,813	19	524	5.9
Investments in associates and joint ventures	1,142	2	1,125	2	17	1.5
Deferred tax assets – net	988	2	937	2	51	5.4
Financial assets at FVOCI	748	1	601	1	147	24.5
Noncurrent receivables	693	1	−	−	693	*n/m*
Other noncurrent assets	1,682	3	942	2	740	78.6
Total	**51,488**	**100**	**48,005**	**100**	**3,483**	**7.3**

Property, plant and equipment increased by 5.5% from ₱25,155 million as at December 31, 2023 to ₱26,550 million as at September 30, 2024, primarily due to continued investments in improving capability, capacity and efficiency of the Group. 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 assest increased by 5.9% from ₱8,813 million as at December 31, 2023 to ₱9,337 million as at September 30, 2024 due to foreign exchange translation.

Deferred tax assets increased by 5.4% from ₱937 million as at December 2023 to ₱988 million as at September 30, 2024 mainly due to set-up of temporary differences from tax computation from Parent Company.

Financial assets at FVOCI pertains to subscription to 820,268,295 common shares out of the unissued authorized capital stock of Figaro Coffee Group (FCG), Inc. 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 September 30, 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 September 30, 2024.

Noncurrent receivables pertains to an interest-bearing loan extended by KBT to SSCC amounting to ₱600 million.

Other noncurrent assets increased by 78.6% from ₱942 million as at December 2023 to ₱1,682 million as at September 30, 2024 mainly due to increase in advances to suppliers and contractors mainly due to downpayment for CapEx.

Current Liabilities

The Group's current liabilities decreased by 19.1%, from ₱17,735 million as at December 31, 2023 to ₱14,353 million as at September 30, 2024 mainly due to payment of dividends, accounts payable, and acceptances and trust receipts payable.

	September 30, 2024		December 31, 2023		Inc/(Dec)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Accounts payable and other current liabilities	10,809	75	11,684	66	(875)	(7.5)
Acceptances and trust receipts payable	1,076	7	1,608	9	(532)	(33.1)
Current portion of loans payable	1,276	9	1,200	7	76	6.3
Income tax payable	737	5	591	3	146	24.7
Refund liabilities	376	3	407	2	(31)	(7.6)
Current portion of lease liabilities	79	1	89	1	(10)	(11.2)
Dividends Payable	−	−	2,156	12	(2,156)	n/m
Total	**14,353**	**100**	**17,735**	**100**	**(3,382)**	**(19.1)**

Accounts payable and other current liabilities decreased by 7.5%, from ₱11,684 million as at December 31, 2023 to ₱10,809 million as at September 30, 2024 mainly due to payments related to CapEx.

Acceptances and trust receipts payable decreased by 33.1%, from ₱1,608 million as at December 31, 2023 to ₱1,076 million as at September 30, 2024 due to payment of trust receipt related to purchase of wheat.

Current portion of loans payable increased by 6.3%, from ₱1,200 million as at December 31, 2023 to ₱1,276 million as at September 30, 2024 due to foreign exchange translation.

Income tax payable increased by 24.7%, from ₱591 million as at December 31, 2023 to ₱737 million as at September 30, 2024 mainly due to income tax payable of MNC and MMYSC related to Q3 2024 taxable income.

Refund liabilities decreased by 7.6%, from ₱407 million as at December 31, 2023 to ₱376 million as at September 30, 2024. The provision was consistent with PFRS 15.

Current portion of lease liabilities pertains to leases that were due within 12 months. The decreased of 11.2% from ₱89 million as at December 31, 2023 to ₱79 million as at September 30, 2024 mainly came from current lease liabilities of MNUK.

Dividends Payable as at December 31, 2023, at ₱2,156 million and nil as at September 30, 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.

Noncurrent Liabilities

The Group's noncurrent liabilities decreased by 23.7%, from ₱7,862 million as at December 31, 2023 to ₱5,996 million as at September 30, 2024.

	September 30, 2024		December 31, 2023		Inc/(Dec)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Lease liabilities	2,532	42	2,594	33	(62)	(2.4)
Loans payable	1,985	33	3,734	47	(1,749)	(46.8)
Pension liability	1,094	18	1,007	13	87	8.6
Derivative liability	318	5	106	1	212	200.0
Deferred tax liabilities – net	27	–	382	5	(355)	(92.9)
Other noncurrent liabilities	40	2	39	1	1	2.6
Total	5,996	100	7,862	100	(1,866)	(23.7)

Loans payable decreased by 46.8%, from ₱3,734 million as at December 31, 2023 to ₱1,985 million as at September 30, 2024 due to the payment of the MNUK loans.

Pension liability increased by 8.6% from ₱1,007 million as at December 2023 to ₱1,094 million as at September 30, 2024 mainly due to increase in accrual of retirement liability.

Derivative liability increased by 200.0% from ₱106 million as at December 2023 to ₱318 million as at September 30, 2024 mainly due to mark to market adjustment for THB cross currency swap.

Deferred tax liabilities-net decreased by 92.9% from ₱382 million as at December 2023 to ₱27 million as at September 30, 2024 mainly due to reduction in MNUK deferred tax libilities.

Equity

The Group's total equity increased by 10.2% from ₱58,498 million as at December 31, 2023 to ₱64,488 million as at September 30, 2024 due to recognition of results for YTD 2024.

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, 2023, the Group's cash flows from operations were sufficient to provide for its operations, dividend payments, and CapEx requirements. The IPO proceeds financed the Company's capital expenditure (CapEx) requirements for 2023. For the nine months ended September 30, 2024, the Group's cash flows from operations were sufficient to provide for its operations, dividend payments, 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 nine months ended September 30, 2024 and 2023 should be read in conjunction with the statements of cash flows and notes included in Unaudited Consolidated Financial Statements.

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

	Nine Months ended, September 30	
	2024	2023
	Unaudited, (in ₱ millions)	
Net cash flows provided by operating activities	8,912	7,328
Net cash flows used in investing activities	(2,631)	(2,777)
Net cash flows used in financing activities	(7,571)	(3,238)
Net increase in cash and cash equivalents	**(1,290)**	**1,313**
Effect of Exchange Rate Changes on cash and cash equivalents	2	12
Cash and cash equivalents at beginning of year	**16,679**	**11,629**
Cash and cash equivalents as at September 30	**15,391**	**12,954**

Net cash flow provided by operating activities

The net cash flows provided by operating activities were ₱8,912 million for the nine months ended September 30, 2024. Cash generated from operations (after adjusting for, among other things, depreciation, amortization, and working capital changes) was ₱10,961 million. The Group generated cash from interest received amounting to ₱425 million and paid income taxes of ₱2,474 million.

The net cash flows provided by operating activities were ₱7,328 million for the nine months ended September 30, 2023. Cash generated from operations (after adjusting for, among other things, depreciation, amortization, and working capital changes) was ₱8,708 million. The Group generated cash from interest received amounting to ₱287 million and paid income taxes of ₱1,668 million.

Net cash flows used in investing activities

The Group's net cash flows used in investing activities were ₱2,631 million for the nine months ended September 30, 2024. The net cash outflow primarily due to various CapEx amounting to ₱2,696 million, increase in other noncurrent assets due to advances to suppliers and contractors amounting to ₱740 million and loan extension amounting to ₱600 million. The net cash inflow pertaining to proceeds from termination of financial assets (net of availment) ₱804 million and notes receivable amounting to ₱500 million from SSCC.

The Group's net cash flows used in investing activities were ₱2,777 million for the nine months ended September 30, 2023. The net cash outflow primarily pertains 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 other cash outflows pertain to various CapEx amounting to ₱1,951 million.

Net cash flows used in financing activities

The net cash flows from financing activities were ₱7,571 million for the nine months ended September 30, 2024. The net cash outflows primarily consist of payments of dividend, MNUK loans and lease liabilities. Payment of lease liabilities includes 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. The lease agreement is valid for 50 years and is renewable for another 25 years. For balance sheet presentation purposes, this is included as part of Property, Plant and Equipment as right-of-use-asset under *PFRS 16, Leases.*

The net cash flows used in financing activities were ₱3,238 million for the nine months ended September 30, 2023. The net cash outflow primarily due to partials settlement of MFL's sterling term loan amounting to ₱2,641 million (net of new availment). The other cash outflow pertains to payment of interest expense and lease liabilities.

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 Comparable Sales Growth, Gross Margin, Core Net Income margin, Core EBITDA margin, and interest coverage ratio.

	September 30, 2024	**December 31, 2023**
Current ratio	2.32	2.03
Acid test ratio	1.64	1.45
Solvency ratio [1]	0.77	0.55
Debt-to-equity ratio	0.32	0.44
Asset-to-equity ratio	1.32	1.44
	Nine Months ended, September 30	
	2024	**2023**
Net Sales Growth [2]	3.2%	10.7%
Gross Margin [2]	34.9%	30.7%
Core Income After Tax margin (at ownership) [2]	12.2%	9.6%
Core EBITDA Margin [2]	19.9%	16.9%
Interest rate coverage ratio	20.9	20.5

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

Financial ratios	**Formula**
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Acid test ratio	$\frac{\text{Cash and cash equivalents + Current receivables+ Current Financial Assets}}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Net income attributable to equity holders of the Company + Depreciation and Amortization + Impairment Loss + Changes in Fair Value on Guaranty Asset }^{1}}{\text{Total liabilities}}$
Debt-to-equity ratio (1)	$\frac{\text{Total liabilities (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Asset-to-equity ratio	$\frac{\text{Total assets (current + noncurrent)}}{\text{Equity attributable to equity holders of the Company}}$
Interest rate coverage ratio (2)	$\frac{\text{EBITDA}}{\text{Finance Costs}}$
Net Sales Growth	$\frac{\text{Current period net sales – prior period net sales (restated for comparability)}}{\text{Prior period net sales (restated for comparability)}}$
Gross margin	$\frac{\text{Gross profit}}{\text{Net Sales}}$
Core EBITDA Margin	$\frac{\text{Core EBITDA}}{\text{Net Sales}}$
Core Income After Tax (at ownership)	$\frac{\text{Core Income after-tax at Ownership}}{\text{Net sales}}$

Note:
[1] Annualized
[2] Comparable means the prior period was restated for comparability with the current year numbers. The restatement was due to IFRS-15 related adjustments wherein some marketing expenditures were reclassified from selling/marketing expenses to sales deductions.

Capital Expenditures

The Group's Capital Expenditures (CapEx) were primarily attributable to spending to develop new business, expand 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 nine months ended September 30, 2024, and 2023.

	FY Plan	YTD Actual	
	2024	**2024**	**2023**
		(in ₱ millions)	
Property, Plant and Equipment			
APAC BFB	3667	2,205	1,208
Meat Alternative	750	491	743
Total Property, Plant and Equipment	4,417	2,696	1,951
Right-of-Use (ROU) Assets			
APAC BFB	1,043	793[1]	−
Total	**5,461**	**3,489**	**1,951**

In YTD 2023, APAC BFB's major CapEx was primarily on various machineries, licenses, and IT system to improve operational efficiencies and capabilities. Meanwhile, in YTD 2024, major CapEx was primarily on new production capability, capacity expansion in Davao, and operational efficiencies. In addition, ROU assets for YTD 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 YTD 2023, Meat Alternative's major CapEx was primarily for its long life paste design capability and to increase capacity for deli products. Meanwhile, in YTD 2024, investments were primarily for fermentation, long life paste design, research and development, and other capabilities.

2024 capital plan in APAC BFB is primarily to improve capacity, development capability, and operational efficiences. Meat Alternative's 2024 plan mainly to improve operational/cost efficiences.

Note:
[1] Php276M claimed as part of Use of Proceeds.

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:

	Nine months ended, September 30, 2024			
	PFRS Reported	Non-PFRS Adjustments APAC BFB	Meat Alternative	Non-PFRS Reported
	(unaudited, in ₱ millions)			
NET SALES	**61,149**	**–**	**–**	**61,149**
Less: COST OF GOODS SOLD	39,793	–	–	39,793
GROSS PROFIT	**21,356**	**–**	**–**	**21,356**
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	542	(17)	(525)	–
General and administrative expenses	5,988	–	(287)	5,701
Selling expenses	5,623	–	–	5,623
	12,153	(17)	(812)	11,324
Core Other Income/(Expense)				
Miscellaneous Income	–	20		20
Interest Expense - Orchid+Trust Receipts	–	(382)	–	(382)
Forex loss on USD Stockpile	–	43	–	43
	–	(319)	–	(319)
CORE INCOME BEFORE TAX	**9,203**	**(302)**	**812**	**9,713**
OTHER INCOME (CHARGES)				
Gain (Loss) on Change in FV of Guaranty Asset	(723)	–	–	(723)
Foreign exchange gain (loss) – net	(232)	(43)	–	(275)
Share in net earnings of an associate	34	–	–	34
Market valuation gain (loss) on financial instruments at fair value through profit or loss	55	–	–	55
Miscellaneous + dividend Income	112	–	(20)	92
Impairment Reversal/(Loss) -Net	–	(17)	(525)	(542)
	(754)	**(60)**	**(545)**	**(1,359)**
INCOME BEFORE FINANCE INCOME (EXPENSES)	**8,449**	**(362)**	**267**	**8,354**
FINANCE INCOME (EXPENSES)				
Finance Income	418	–	–	418
Finance Costs	(583)	382	–	(201)
Derivative gain	64	–	–	64
	(101)	382	–	281
Other Non-Recurring Expenses				
Restructuring costs in MNUK	–		(287)	(287)
INCOME BEFORE INCOME TAX	**8,348**	**20**	**(20)**	**8,348**
PROVISION FOR CURRENT INCOME TAX				
Current	2,620	–	–	2,620
Deferred	(359)	–	–	(359)
PROVISION FOR CURRENT INCOME TAX	2,261	20	(20)	2,261
NET INCOME FROM CONTINUING OPERATIONS	**6,087**	**–**	**–**	**6,087**

	Nine months-ended, September 30, 2023			
	PFRS Reported	**Non-PFRS Adjustments APAC BFB**	**Meat Alternative**	**Non-PFRS Reported**
		(Unaudited, in ₱ millions)		
NET SALES	**59,646**	**–**	**–**	**59,646**
Less: COST OF GOODS SOLD	41,087	–	–	41,087
GROSS PROFIT	**18,559**	**–**	**–**	**18,559**
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	(26)	104	(78)	-
General and administrative expenses	5,922	–	(470)	5,452
Selling expenses	5,451	–	(78)	5,373
	11,347	104	(626)	10,825
Core Other Income/(Expense)				
Miscellaneous Income	–	–	30	30
Interest Expense - Orchid+Trust Receipts	–	(345)	–	(345)
Forex loss on USD Stockpile	–	(21)	–	(21)
	–	(366)	**30**	(336)
CORE INCOME BEFORE TAX	**7,212**	**(470)**	**656**	**7,398**
				-
OTHER INCOME (CHARGES)				
Foreign exchange gain – net	299	21	–	320
Share in net earnings of an associate	28	–	–	28
Market valuation gain (loss) on financial instruments at fair value through profit or loss	65	–	–	65
Miscellaneous Income	101	–	(30)	71
Impairment Reversal/(Loss) - Net	–	104	(78)	26
	493	**125**	**(108)**	**510**
INCOME BEFORE FINANCE INCOME (EXPENSES)	**7,705**	**(345)**	**548**	**7,908**
FINANCE INCOME (EXPENSES)				
Finance income	284	–	–	284
Finance expense	(465)	345	–	(120)
Derivative gain	(5)	–	–	(5)
	(186)	345	–	159
Other Non-Recurring Expenses				
Restructuring costs	–	–	(548)	(548)
	–	–	(548)	(548)
INCOME BEFORE INCOME TAX	**7,519**	**–**	**–**	**7,519**
PROVISION FOR CURRENT INCOME TAX				
Current	2,022	–	–	2,022
Deferred	(302)	–	–	(302)
PROVISION FOR CURRENT INCOME TAX	1,720	–	–	1,720
NET INCOME FROM CONTINUING OPERATIONS	**5,799**	**–**	**–**	**5,799**

II. EBITDA Reconciliation

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

	For the nine months ended September 30, 2024		
	APAC BFB	**Meat Alternative**	**Total**
	(Unaudited, in ₱ millions)		
Income before Income Tax	10,728	(2,380)	8,348
Interest Expense	305	279	584
Interest Income	(361)	(58)	(419)
EBIT	10,672	(2,159)	8,513
Derivative Gain	(64)	−	(64)
Foreign Exchange (Gain)/Loss (net)	226	6	232
Loss due to Change in FV of Guaranty Asset	−	723	723
Restructuring Costs	−	287	287
Impairment Loss	17	525	542
Depreciation and Amortization Expense	1,476	481	1,957
EBITDA	**12,327**	**(137)**	**12,190**

	For the nine months ended September 30, 2023		
	APAC BFB	**Meat Alternative**	**Total**
	(Unaudited, in ₱ millions)		
Income before Income Tax	9,096	(1,577)	7,519
Interest Expense	185	280	465
Interest Income	(261)	(22)	(283)
EBIT	9,020	(1,319)	7,701
Derivative Loss	4	−	4
Foreign Exchange Loss (net)	(300)	1	(299)
Restructuring Costs	−	548	548
Impairment (Reversal)/Loss)	(93)	67	(26)
Depreciation and Amortization Expense	1,483	609	2,092
EBITDA	**10,114**	**(94)**	**10,020**

III. FINANCIAL LIABILITIES

The following table summarizes the Group's financial liabilities as at September 30, 2024.

	(Unaudited, in ₱ millions)					
	On Demand	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Financial Liabilities						
Trade and other payables*	6,841	3,102	59	−	−	10,002
Loans Payable**	−	19	1,276	2,027	−	3,322
Lease liabilities	−	53	187	960	6,700	7,900
Acceptance and trust receipts payable	−	−	1,076	−	−	1,076
	6,841	3,174	2,598	2,987	6,700	22,300

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

Off-Balance Sheet Arrangements

As at September 30, 2024, the Group did not have any material off-balance sheet arrangements or obligations (including contingent obligations), and other relationships of the Group with 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 discussed below, see Note 22 to Unaudited 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 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 September 30, 2024, the Group is involved in certain proceedings and regulatory assessments, and management believes that none of these proceedings will 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 ₱1,886 million and ₱2,055 million as at September 30, 2024 and December 31, 2023, 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 2023 and YTD 2024 for wheat, palm oil, and sugar. The Parent Company has fully secured estimated requirements for wheat until Q4 2024 and partially secured palm oil until Q2 2025.

Dividend Declaration

On November 6, 2024, the Parent Company's BOD approved and declared the issuance of regular cash dividends to stockholders of record as at December 2, 2024 for ₱0.14 per common share, payable on December 27, 2024.

Deed of Absolute Sale and Lease Agreement with Atlantic Grains Inc.

On November 6, 2024, the Parent Company's BOD approved and authorized the Parent Company to enter into a Deed of Absolute Sale with Atlantic Grains Inc. ("AGI") for the Parent Company's purchase from AGI of certain buildings and machineries for a consideration of ₱750.0 million, and long term lease agreement/s with AGI for the latter's properties where the buildings and machineries are located.

Additional Subscription to KBT

On November 6, 2024, the Parent Company's BOD approved and authorized the Parent Company to subscribe for another 20,000 common shares of KBT International Holdings, Inc. for a subscription price of ₱200.0 million.

Donation to Monde Nissin Foundation

On November 6, 2024, the Parent Company's BOD approved and authorized the Parent Company to donate an initial endowment of ₱45.0 million to the Monde Nissin Foundation.

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.

	Nine Months Average Rate, ending Sep 30,		**Closing Rate**	
	2024	**2023**	**September 30, 2024**	December 31, 2023
1 GBP	**72.7761**	68.1474	**75.0819**	70.6029
1 USD	**57.0024**	55.2591	**56.0370**	55.3850

PART II--OTHER INFORMATION

Board of Directors

The following table sets forth the Company's Board of Directors as at September 30, 2024:

Name	Position
Hartono Kweefanus	Chairperson Emeritus
Kataline Darmono	Chairperson
Hoediono Kweefanus	Vice-Chairperson
Betty T. Ang	President
Henry Soesanto	Executive Vice President and Chief Executive Officer
Monica Darmono	Treasurer
Nina Perpetua D. Aguas	Lead Independent Director
Anabelle L. Chua	Independent Director
Ramon Felicisimo M. Lopez	Independent Director

SIGNATURES

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

MONDE NISSIN CORPORATION
Issuer

January 3, 2025
Date

HENRY SOESANTO
Chief Executive Officer

JESSE C. TEO
Chief Financial Officer