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
   Mar 31, 2023
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
   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)

- (selected) Yes
- No

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

- (selected) 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	Mar 31, 2023
Currency (indicate units, if applicable)	PHP'000

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2023	Dec 31, 2022
Current Assets	31,984,817	32,332,816
Total Assets	81,829,147	81,292,373
Current Liabilities	13,606,798	14,751,601
Total Liabilities	27,848,316	29,021,189
Retained Earnings/(Deficit)	3,107,447	1,171,783
Stockholders' Equity	53,980,831	52,271,184
Stockholders' Equity - Parent	53,836,061	52,128,686
Book Value per Share	3	2.9

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	20,049,668	18,297,537	20,049,668	18,297,537
Gross Expense	17,483,177	15,393,626	17,483,177	15,393,626

Non-Operating Income	135,726	156,531	135,726	156,531
Non-Operating Expense	240,564	126,125	240,564	126,125
Income/(Loss) Before Tax	2,461,653	2,934,317	2,461,653	2,934,317
Income Tax Expense	523,717	599,390	523,717	599,390
Net Income/(Loss) After Tax	1,937,936	2,334,927	1,937,936	2,334,927
Net Income Attributable to Parent Equity Holder	1,935,664	2,331,747	1,935,664	2,331,747
Earnings/(Loss) Per Share (Basic)	0.11	0.13	0.11	0.13
Earnings/(Loss) Per Share (Diluted)	0.11	0.13	0.11	0.13

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	-0.75	0.19
Earnings/(Loss) Per Share (Diluted)	-0.75	0.19

Other Relevant Information
Please see attached Monde Nissin Corporation and Subsidiaries's SEC Form 17Q as of March 31, 2023. The aging analysis of trade and other receivables as at March 31, 2023 and December 31, 2022 are in Note 20 (page 23 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 (adjusted for the effect of the reduction in par value in 2021).

Filed on behalf by:

Name	Aaron Jeric Legaspi
Designation	Alternate CIO

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

March 31, 2023
(Quarter Ending)
(month & day)

Form 17-Q
Form Type

__________N/A__________
Designation (If applicable)

31 March 2023
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 **March 31, 2023**

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.

	Unaudited Interim Consolidated Statements of Financial Position as at March 31, 2023 with Comparative Audited Figures as at December 31, 2022
	Unaudited Interim Consolidated Statements of Comprehensive Income for the Quarters and Three Months Ended March 31, 2023 and 2022
	Unaudited Interim Consolidated Statements of Changes in Equity for the Three Months Ended March 31, 2023 and 2022
	Unaudited Interim Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2023 and 2022
	Notes to Unaudited Interim Condensed Consolidated Financial Statements

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands, with Comparative Audited Figures as at December 31, 2022)

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱11,539,966**	₱11,628,627
Trade and other receivables (Notes 6 and 18)	**6,876,971**	6,800,309
Inventories (Note 7)	**10,457,058**	10,878,570
Current financial assets at fair value through profit or loss (FVTPL) (Notes 18 and 20)	**1,979,465**	1,756,101
Prepayments and other current assets (Note 8)	**1,131,357**	1,269,209
Total Current Assets	**31,984,817**	32,332,816
Noncurrent Assets		
Property, plant and equipment (Note 9)	**30,829,685**	30,863,507
Intangible assets (Note 10)	**14,504,444**	14,482,905
Investments in associates and joint ventures	**1,109,223**	1,104,453
Noncurrent financial assets at FVTPL (Notes 18 and 20)	**887,795**	–
Deferred tax assets - net (Note 19)	**812,412**	867,912
Noncurrent receivables (Notes 17, 18 and 20)	**662,309**	662,300
Other noncurrent assets (Note 11)	**1,038,462**	978,480
Total Noncurrent Assets	**49,844,330**	48,959,557
	₱81,829,147	₱81,292,373
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 12 and 18)	**₱11,018,428**	₱11,322,600
Acceptances and trust receipts payable (Notes 7 and 20)	**1,140,808**	2,362,301
Income tax payable	**589,437**	209,831
Current portion of lease liabilities	**313,005**	386,671
Refund liabilities (Note 12)	**275,348**	200,440
Current portion of loans payable (Note 13)	**269,772**	269,758
Total Current Liabilities	**13,606,798**	14,751,601
Noncurrent Liabilities		
Loans payable (Note 13)	**6,993,569**	6,983,256
Deferred tax liabilities - net (Note 19)	**4,160,218**	4,319,733
Lease liabilities	**2,382,305**	2,423,496
Pension liability	**529,750**	506,430
Derivative liability	**139,002**	–
Other noncurrent liabilities	**36,674**	36,673
Total Noncurrent Liabilities	**14,241,518**	14,269,588
Total Liabilities	**27,848,316**	29,021,189
Equity		
Capital stock (Note 14)	**8,984,306**	8,984,306
Additional paid-in capital	**46,515,847**	46,515,847
Retained earnings (Deficit) (Note 14):		
Appropriated	**211,452**	5,211,452
Unappropriated	**2,895,995**	(4,039,669)
Fair value reserve of financial assets at FVOCI	**(235,130)**	(235,130)
Remeasurement losses on pension liability	**(210,805)**	(210,805)
Equity reserve (Note 14)	**(622,335)**	(622,335)
Cumulative translation adjustments (Note 14)	**(3,703,269)**	(3,474,980)
Equity Attributable to Equity Holders of the Parent Company	**53,836,061**	52,128,686
Non-controlling Interests (Note 4)	**144,770**	142,498
Total Equity	**53,980,831**	52,271,184
	₱81,829,147	₱81,292,373

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Quarters Ended March 31	
	2023	2022
NET SALES (Note 15)	**₱20,049,668**	₱18,297,537
COST OF GOODS SOLD (Note 15)	**13,951,154**	11,875,855
GROSS PROFIT	**6,098,514**	6,421,682
SALES, GENERAL AND ADMINISTRATIVE EXPENSES		
General and administrative expenses (Note 16)	**1,945,818**	1,657,672
Selling and distribution expenses (Note 16)	**1,586,205**	1,858,852
Impairment loss on property, plant and equipment (Note 9)	**–**	1,247
	3,532,023	3,517,771
	2,566,491	2,903,911
OTHER INCOME (EXPENSES)		
Foreign exchange gain (loss) - net (Note 4)	**(49,873)**	32,804
Market valuation loss on financial instruments at fair value through profit or loss (FVTPL)	**(28,149)**	–
Share in net earnings from associates and joint ventures	**4,770**	9,049
Miscellaneous income - net (Notes 6 and 17)	**50,655**	30,424
	(22,597)	72,277
INCOME BEFORE FINANCE INCOME (EXPENSES)	**2,543,894**	2,976,188
FINANCE INCOME (EXPENSES)		
Finance costs (Notes 13 and 17)	**(161,284)**	(126,125)
Derivative gain (loss) (Note 20)	**(1,258)**	75,477
Finance income (Note 17)	**80,301**	8,777
	(82,241)	(41,871)
INCOME (LOSS) BEFORE INCOME TAX	**2,461,653**	2,934,317
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**627,363**	726,634
Deferred	**(103,646)**	(127,244)
	523,717	599,390
NET INCOME	**₱1,937,936**	₱2,334,927
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**₱1,935,664**	₱2,331,747
Non-controlling interests	**2,272**	3,180
	₱1,937,936	₱2,334,927
Earnings per Share (EPS) (Note 14)		
Basic/diluted, income attributable to equity holders of the parent	**₱0.11**	₱0.13
	0.11	0.13

(Forward)

	Quarters Ended March 31	
	2023	2022
NET INCOME	**₱1,937,936**	₱2,334,927
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 14)	**(228,289)**	34,300
TOTAL COMPREHENSIVE INCOME	**₱1,709,647**	₱2,369,227
Total comprehensive income attributable to:		
Equity holders of the Parent Company	**₱1,707,375**	₱2,366,047
Non-controlling interests	**2,272**	3,180
	₱1,709,647	₱2,369,227

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands, For the three months ended March 31, 2023 and 2022)

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 14)	**Additional Paid-in Capital**	**Retained Earnings** (Note 14) **Appropriated**	**Unappropriated**	**Fair Value Reserve of Financial Assets at FVOCI**	**Remeasurement Losses on Pension Liability**	**Equity Reserve** (Note 14)	**Cumulative Translation Adjustments** (Note 14)	**Total**	**Non-controlling Interests** (Note 4)	**Total Equity**
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	**–**	**–**	**–**	**1,935,664**	**–**	**–**	**–**	**–**	**1,935,664**	**2,272**	**1,937,936**
Other comprehensive loss, net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(228,289)**	**(228,289)**	**–**	**(228,289)**
Total comprehensive income (loss)	**–**	**–**	**–**	**1,935,664**	**–**	**–**	**–**	**(228,289)**	**1,707,375**	**2,272**	**1,709,647**
Release of appropriation	**–**	**–**	**(5,000,000)**	**5,000,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance as at March 31, 2023	**₱8,984,306**	**₱46,515,847**	**₱211,452**	**₱2,895,995**	**(₱235,130)**	**(₱210,805)**	**(₱622,335)**	**(₱3,703,269)**	**₱53,836,061**	**₱144,770**	**₱53,980,831**
Balance as at January 1, 2022	₱8,984,306	₱46,515,847	₱4,095,257	₱12,612,644	(₱235,130)	(₱289,263)	(₱622,335)	(₱2,783,253)	₱68,278,073	₱137,507	₱68,415,580
Net income	–	–	–	2,331,747	–	–	–	–	2,331,747	3,180	2,334,927
Other comprehensive income (loss), net of tax	–	–	–	–	–	–	–	34,300	34,300	–	34,300
Total comprehensive income (loss)	–	–	–	2,331,747	–	–	–	34,300	2,366,047	3,180	2,369,227
Balance as at March 31, 2022	₱8,984,306	₱46,515,847	₱4,095,257	₱ 14,944,391	(₱235,130)	(₱289,263)	(₱622,335)	(₱2,748,953)	₱70,644,120	₱140,687	₱70,784,807

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands, For the three months ended March 31, 2023 and 2022)

	2023 (Unaudited)	2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱2,461,653**	₱2,934,317
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 9, 10, 15, 16 and 17)	**663,114**	655,269
Finance costs (Notes 13, 17 and 20)	**161,284**	126,125
Finance income (Note 17)	**(80,301)**	(8,777)
Unrealized foreign exchange gain (loss) – net	**(73,885)**	2,948
Market valuation loss on financial instruments at FVTPL	**28,149**	–
Movement in pension liability	**23,658**	11,717
Share in net earnings from associates and joint venture	**(4,770)**	(9,049)
Derivative loss (gain) (Note 20)	**1,258**	(75,477)
Gain on sale of property, plant and equipment	**(474)**	(1,080)
Impairment loss on property, plant and equipment (Note 9)	**–**	1,247
Working capital adjustments:		
Decrease (increase) in:		
Inventories	**421,512**	(312,243)
Prepayments and other current assets	**137,852**	282,918
Trade and other receivables	**(92,250)**	(641,339)
Increase (decrease) in:		
Acceptance and trust receipts payable	**(1,139,669)**	(1,473,540)
Accounts payable and other current liabilities	**(338,356)**	(80,958)
Refund liabilities	**74,908**	979
Net cash generated from operations	**2,243,683**	1,413,057
Income tax paid	**(247,757)**	(613,610)
Interest received	**95,871**	9,682
Net cash flows from operating activities	**2,091,797**	809,129
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Noncurrent financial assets at FVTPL	**(928,808)**	–
Current financial assets at FVTPL	**(809,190)**	(1,002)
Property, plant and equipment (Notes 9 and 21)	**(635,693)**	(1,105,829)
Intangible assets (Note 10)	**(44,007)**	(27,613)
Decrease (increase) in other noncurrent assets	**(62,446)**	45,061
Proceeds from:		
Sale of property, plant and equipment (Note 9)	**686**	1,576
Termination of current financial assets at FVTPL	**574,010**	–
Net cash used in investing activities	**(1,905,448)**	(1,087,807)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments for):		
Principal portion of lease liabilities	**(141,575)**	(82,362)
Interest	**(115,656)**	(65,158)
Derivatives (Note 20)	**(1,258)**	75,477
Payment of loans (Note 13)	**–**	(1,706,455)
Availment of loans (Note 13)	**–**	1,706,755
Increase (decrease) in other noncurrent liabilities	**1**	(11)
Net cash flows from financing activities	**(258,488)**	(71,754)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(72,139)**	(350,432)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(16,522)**	(24,961)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11,628,627**	13,856,814
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱11,539,966**	₱13,481,421

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

1. General Information

Monde Nissin Corporation (the Parent Company or MNC) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 23, 1979 primarily to engage in manufacturing, processing, baking, packaging, servicing, repacking, assembling, importing, exporting, buying, selling, trading or otherwise dealing in all kinds of goods, wares and merchandises, which are or may become articles of commerce such as but not limited to noodles, candies, confectionaries, biscuits, cakes and other foods, drugs and cosmetics. In furtherance of said primary purpose, it is authorized to guarantee obligations of and act as surety for the loans and obligations of its subsidiaries and affiliates and/or to secure the same by mortgage, pledge of any assets of MNC as may be authorized by its Board of Directors (BOD), provided MNC does not operate as a lending or financing company. 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 Accounting Policies

Basis of Preparation

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, 2022. 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, 2022.

<u>Basis of Consolidation</u>
The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2023. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

<u>Changes in Accounting Policies and Disclosures</u>
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as at and for the year ended December 31, 2022, except for the adoption of amendments effective beginning January 1, 2023, which did not have any significant impact on the Group's financial position or performance, unless otherwise indicated:

- 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 amendments to the Practice Statement provide non-mandatory guidance.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

3. Significant 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.

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, 2022.

  As at March 31, 2023, management assessed that there have been no significant changes in the assets and liabilities making up the CGUs since December 31, 2022;

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 on Note 19.

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.

For the three months ended March 31, 2022, the Parent Company determined that the actual performance of certain property, plant and equipment in MNC below the estimated or planned outputs is an indicator of impairment resulting to additional impairment loss of ₱1.2 million.

The Parent Company determined that the VIU of these impaired property, plant and equipment, assets are zero since these assets pertain to discontinued product lines with no expected future cashflows. 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 2023 and 2022. Impairment loss on property, plant and equipment amounted to nil and ₱1.2 million for the three months ended March 2023 and 2022, respectively. Information on the Group's property, plant and equipment is disclosed in Note 9.

Estimation of Legal contingencies and Regulatory Assessments. As at March 31, 2023 and December 31, 2022, 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 March 31, 2023 and December 31, 2022, 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 March 31, 2023 and December 31, 2022, are set out below:

			Percentage of Ownership			
		Country of	**2023**		2022	
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	**–**	**6.50**	–	6.50
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	**–**	**93.50**	–	93.50
MNTH**	Manufacture and distribution of bread and cookies	Thailand	**–**	**43.57**	–	43.57
KBT International Holdings, Inc. (KBT)	Investment company	Philippines	**95.69**	**–**	95.69	–
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	**–**

Subsidiaries	Principal Activity	Country of Incorporation	Percentage of Ownership 2023 Direct	2023 Indirect	2022 Direct	2022 Indirect
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**	–	60.00	–

**Dormant*
***The Group effectively owns 100%*

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.

	March 31, 2023 (Unaudited)			
	APAC BFB	**Meat Alternative**	**Eliminations**	**Consolidated**
Net sales - third parties	**₱16,525,243**	**₱3,527,614**	**(₱3,189)**	**₱20,049,668**
Costs and expenses	**(13,001,995)**	**(3,821,257)**	**3,189**	**(16,820,063)**
Depreciation and amortization	**(486,915)**	**(176,199)**	–	**(663,114)**
Finance income	**220,158**	**8,050**	**(147,907)**	**80,301**
Finance expense	**(69,281)**	**(241,168)**	**147,907**	**(162,542)**
Foreign exchange gain (loss) – net	**(45,819)**	**(4,054)**	–	**(49,873)**
Impairment loss	–	–	–	–
Share in net earnings from associates and joint venture	**4,770**	–	–	**4,770**
Other income	**22,524**	**(18)**	–	**22,506**
Income before income tax	**3,168,685**	**(707,032)**	–	**2,461,653**
Provision for (benefit from) income tax	**669,717**	**(146,000)**	–	**523,717**
Net income	**₱2,498,968**	**(₱561,032)**	**₱–**	**₱1,937,936**

	March 31, 2023 (Unaudited)			
	APAC BFB	**Meat Alternative**	**Eliminations**	**Consolidated**
Other information				
Total assets	**₱90,694,191**	**₱34,618,219**	**(₱43,483,263)**	**₱81,829,147**
Total liabilities	**₱12,667,957**	**₱24,157,145**	**(₱8,976,786)**	**₱27,848,316**
Investment in associates and joint venture	**₱1,109,223**	**₱–**	**₱–**	**₱1,109,223**
Capital expenditures	**₱408,456**	**₱227,237**	**₱–**	**₱635,693**

	March 31, 2022 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱14,538,684	₱3,758,853	₱–	₱18,297,537
Costs and expenses	(11,195,322)	(3,541,788)	–	(14,737,110)
Depreciation and amortization	(483,725)	(171,544)	–	(655,269)
Finance income	373,268	76,115	(365,129)	84,254
Finance expense	(64,654)	(426,600)	365,129	(126,125)
Foreign exchange gain (loss) - net	26,998	5,806	–	32,804
Impairment loss	(1,247)	–	–	(1,247)
Share in net earnings from associates and joint venture	9,049	–	–	9,049
Other income	30,424	–	–	30,424
Income before income tax	3,233,475	(299,158)	–	2,934,317
Provision for (benefit from) income tax	607,932	(8,542)	–	599,390
Net income	₱2,625,543	(₱290,616)	₱–	₱2,334,927

Other information

	December 31, 2022 (Audited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Total assets	₱89,947,658	₱34,689,207	(₱43,344,492)	₱81,292,373
Total liabilities	₱14,177,754	₱23,683,292	(₱8,839,857)	₱29,021,189
Investment in associates and joint venture	₱1,104,453	₱–	₱–	₱1,104,453

	March 31, 2022 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Capital expenditures	₱638,844	₱466,985	₱–	₱1,105,829

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:

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Domestic	**₱15,513,437**	₱13,685,087
Foreign	**4,536,231**	4,612,450
	₱20,049,668	₱18,297,537

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 noncurrent financial assets at FVTPL, noncurrent receivables, advances to employees under other noncurrent assets, and deferred tax assets).

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Domestic:		
Property, plant and equipment (see Note 9)	**₱16,398,606**	₱16,475,570
Investments in associates and joint ventures	**1,109,223**	1,104,453
Intangible assets (see Note 10)	**652,713**	629,633
Other noncurrent assets (see Note 11)	**883,051**	783,299
Total	**19,043,593**	18,992,955
Foreign:		
Property, plant and equipment (see Note 9)	**14,431,079**	14,387,937
Intangible assets (see Note 10)	**13,851,731**	13,853,272
Other noncurrent assets (see Note 11)	**88,928**	125,404
	28,371,738	28,366,613
	₱47,415,331	₱47,359,568

5. Cash and Cash Equivalents

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash on hand and in banks	**₱4,210,372**	₱3,647,852
Cash equivalents	**7,329,594**	7,980,775
	₱11,539,966	₱11,628,627

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

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Trade receivables:		
Non-related parties	**₱6,793,671**	₱6,701,031
Related parties (see Note 18)	**44,753**	33,751
Other receivables	**75,866**	103,073
	6,914,290	6,837,855
Allowance for ECL	**37,319**	37,546
	₱6,876,971	₱6,800,309

Trade receivables pertain to receivables from sale of goods 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 a supplier, 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:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance at January 1	**₱37,546**	₱31,372
Provision for ECL (Notes 16 and 17)	**250**	13,308
Write-off	**(475)**	(6,886)
Currency translation adjustments	**(2)**	(248)
Balance at end of period	**₱37,319**	₱37,546

7. **Inventories**

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
At cost:		
Finished goods	**₱216,101**	₱180,689
In-transit	**215,452**	125,952
Packaging and other materials	**21,079**	19,548
Work in-process	**13,428**	8,285
	466,060	334,474
At NRV:		
Finished goods	**4,097,528**	4,151,719
Raw materials	**2,903,511**	3,788,967
Work in-process	**1,982,111**	1,637,029
Packaging and other materials	**1,007,848**	966,381
	9,990,998	10,544,096
	₱10,457,058	₱10,878,570

The cost of inventories carried at NRV are as follows:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Finished goods	**₱4,436,800**	₱4,490,304
Raw materials	**3,016,601**	3,877,924
Work in-process	**2,090,098**	1,745,283
Packaging and other materials	**1,031,706**	1,011,459
	₱10,575,205	₱11,124,970

Provision for inventory obsolescence amounted to ₱16.3 million and ₱46.0 million for the three months ended March 31, 2023 and 2022, respectively (shown as part of "Cost of goods sold" account). The Group wrote off inventories amounting to ₱13.1 million and ₱65.3 million for the three months ended March 31, 2023 and 2022, respectively.

The cost of inventories recognized under "Cost of goods sold" account amounted to ₱13,951.2 million and ₱11,875.9 million for the three months ended March 31, 2023 and 2022, respectively (see Note 15).

As at March 31, 2023 and December 31, 2022, the Group assessed that the carrying value of right of return assets is nil given the perishable nature of the products.

Under the terms of the agreements covering liabilities under trust receipts totaling ₱1,140.8 million and ₱2,362.3 million as at March 31, 2023 and December 31, 2022, 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

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Prepayments	**₱514,542**	₱470,623
Input VAT	**259,842**	189,139
Deferred input VAT	**199,181**	274,977
Creditable withholding tax (CWT) and other credits	**140,462**	314,489
Other current assets	**20,281**	20,035
	1,134,308	1,269,263
Allowance for non-recoverability of other current assets	**(2,951)**	(54)
	₱1,131,357	₱1,269,209

9. Property, Plant and Equipment

March 31, 2023

	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, 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	–	855	227,576	2,126	55,726	1,246	15,167	671	149,432	182,894	–	–	635,693
Disposals and retirement	–	–	–	–	(3,928)	(449)	(4,756)	(159)	–	–	–	(18,035)	(27,327)
Reclassifications	–	–	8,306	–	96,371	3,129	–	5,999	(70,902)	(42,909)	–	–	(6)
Foreign currency translation adjustments	(2,658)	(59)	(17,899)	(19)	(23,213)	(606)	(12)	(239)	7,956	186	–	–	(36,563)
Balance at March 31, 2023	457,551	6,404	13,725,069	169,391	36,496,837	505,098	169,323	380,048	2,167,446	4,067,079	2,898,464	816,285	61,858,995
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 (see Notes 15 and 16)	–	75	142,531	1,701	413,651	13,977	5,185	20,047	–	–	21,727	21,691	640,585
Disposals and retirement	–	–	–	–	(3,928)	(449)	(4,544)	(159)	–	–	–	–	(9,080)
Foreign currency translation adjustments	–	(46)	(9,468)	5,733	(13,566)	(198)	(11)	(98)	–	–	–	–	(17,654)
Balance at March 31, 2023	–	4,344	5,806,152	104,640	19,636,859	384,628	76,579	288,508	–	–	320,518	363,005	26,985,233
Accumulated Impairment Loss													
Balance at January 1, 2023	–	–	984,052	955	2,267,384	–	–	36	571,765	228,117	–	–	4,052,309
Foreign currency translation adjustments	–	–	(2,979)	–	(5,256)	–	–	–	–	3	–	–	(8,232)
Balance at March 31, 2023	–	–	981,073	955	2,262,128	–	–	36	571,765	228,120	–	–	4,044,077
Net Book Value	₱457,551	₱2,060	₱6,937,844	₱63,796	₱14,597,850	₱120,470	₱92,744	₱91,504	₱1,595,681	₱3,838,959	₱2,577,946	₱453,280	₱30,829,685

December 31, 2022

	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, 2022	₱441,083	₱5,283	₱12,753,979	₱149,289	₱32,500,137	₱357,281	₱155,538	₱264,147	₱1,374,644	₱5,085,405	₱2,906,919	₱721,869	₱56,715,574
Additions	–	–	18,002	32,557	113,471	43,006	26,771	5,801	1,236,043	2,865,661	–	123,797	4,465,109
Disposals and retirement	–	–	(67,444)	(15,188)	(50,430)	(3,488)	(24,209)	(19,496)	–	–	(8,455)	(11,346)	(200,056)
Reclassifications	–	–	958,058	–	3,368,689	88,202	1,679	121,963	(564,161)	(3,974,430)	–	–	–
Foreign currency translation adjustments	19,126	325	(155,509)	626	440,014	16,777	(855)	1,361	34,434	(49,728)	–	–	306,571
Balance at December 31, 2022	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
Accumulated Depreciation													
Balance at January 1, 2022	–	3,802	5,065,912	98,071	17,379,819	296,563	78,348	195,772	–	–	220,879	251,519	23,590,685
Depreciation (Notes 19 and 20)	–	272	578,665	13,040	1,679,286	58,725	19,560	90,704	–	–	86,367	101,141	2,627,760
Disposals and retirement	–	–	(38,084)	(10,122)	(49,675)	(3,406)	(22,027)	(19,496)	–	–	(8,455)	(11,346)	(162,611)
Foreign currency translation adjustments	–	241	66,596	(3,783)	231,272	19,416	68	1,738	–	–	–	–	315,548
Balance at December 31, 2022	–	4,315	5,673,089	97,206	19,240,702	371,298	75,949	268,718	–	–	298,791	341,314	26,371,382

(Forward)

	December 31, 2022												
	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, 2022	–	–	932,587	967	1,491,884	–	–	36	571,765	175,390	–	–	3,172,629
Impairment loss (Notes 3 and 20)	–	–	45,484	–	725,964	–	–	–	–	54,452	–	–	825,900
Disposals and retirement	–	–	(24,667)	(12)	–	–	–	–	–	–	–	–	(24,679)
Foreign currency translation adjustments	–	–	30,648	–	49,536	–	–	–	–	(1,725)	–	–	78,459
Balance at December 31, 2022	–	–	984,052	955	2,267,384	–	–	36	571,765	228,117	–	–	4,052,309
Net Book Value	₱460,209	₱1,293	₱6,849,945	₱69,123	₱14,863,795	₱130,480	₱82,975	₱105,022	₱1,509,195	₱3,698,791	₱2,599,673	₱493,006	₱30,863,507

The Group recognized additional impairment loss of nil and ₱1.2 million for the three months ended March 31, 2023 and 2022, respectively.

For the three months ended March 31, 2022, the Group acquired property, plant and equipment and recognized depreciation expense amounting to ₱1,105.8 million and ₱636.2 million (see Note 17).

There are no idle property, plant and equipment nor property, plant and equipment used as collateral as at March 31, 2023 and December 31, 2022.

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱1,479.7 million and ₱1,447.5 million as at March 31, 2023 and December 31, 2022, respectively.

10. Intangible Assets

	March 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	–	–	12,505	44,007
Disposals and retirement	–	–	–	–	–	–	873	873
Foreign currency translation adjustments	883	956	–	–	(29)	–	(1,259)	551
Balance at March 31, 2023	16,543,122	17,972,653	727,560	66,141	2,570	14,459	454,769	35,781,274
Accumulated Amortization								
Balance at January 1, 2023	–	42,374	306,182	700	1,739	–	213,636	564,631
Amortization	–	–	9,095	1,582	42	–	11,810	22,529
Disposals and retirement	–	–	–	–	–	–	873	873
Foreign currency translation adjustments	–	2	–	–	(19)	–	(593)	(610)
Balance at March 31, 2023	–	42,376	315,277	2,282	1,762	–	225,726	587,423
Accumulated Impairment Loss								
Balance at January 1, 2023	16,542,239	4,143,587	–	–	–	2,481	–	20,688,307
Foreign currency translation adjustments	883	217	–	–	–	–	–	1,100
Balance at March 31, 2023	16,543,122	4,143,804	–	–	–	2,481	–	20,689,407
Net Book Value	₱–	₱13,786,473	₱412,283	₱63,859	₱808	₱11,978	₱229,043	₱14,504,444

	December 31, 2022							
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	Total
Cost								
Balance at January 1, 2022	₱16,810,906	₱18,262,118	₱727,560	₱34,639	₱2,451	₱14,459	₱362,333	₱36,214,466
Additions	–	–	–	–	–	–	75,901	75,901
Foreign currency translation adjustments	(268,667)	(290,421)	–	–	148	–	4,416	(554,524)
Balance at December 31, 2022	16,542,239	17,971,697	727,560	34,639	2,599	14,459	442,650	35,735,843
Accumulated Amortization								
Balance at January 1, 2022	–	43,063	269,804	–	1,469	–	163,232	477,568
Amortization	–	–	36,378	700	175	–	48,649	85,902
Foreign currency translation adjustments	–	(689)	–	–	95	–	1,755	1,161
Balance at December 31, 2022	–	42,374	306,182	700	1,739	–	213,636	564,631
Accumulated Impairment Loss								
Balance at January 1, 2022	–	90,142	–	–	–	–	–	90,142
Impairment loss	16,500,821	4,043,295	–	–	–	2,481	–	20,546,597
Foreign currency translation adjustments	41,418	10,150	–	–	–	–	–	51,568
Balance at December 31, 2022	16,542,239	4,143,587	–	–	–	2,481	–	20,688,307
Net Book Value	₱–	₱13,785,736	₱421,378	₱33,939	₱860	₱11,978	₱229,014	₱14,482,905

Amortization of the intangible assets for the three months ended March 31, 2023 and 2022 amounted to ₱22.5 million and ₱19.1 million, respectively (see Note 17).

Goodwill, brand and trademark with indefinite useful life per entity are as follows:

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Goodwill	**Brand**	**Trademark**	Goodwill	Brand	Trademark
MNUKL	**₱–**	**₱13,786,473**	**₱–**	₱–	₱13,785,736	₱–
MNC	**–**	**–**	**11,978**	–	–	11,978
Total	**₱–**	**₱13,786,473**	**₱11,978**	₱–	₱13,785,736	₱11,978

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

11. Other Noncurrent Assets

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Advances to suppliers and contractors	**₱712,329**	₱619,658
Deferred input VAT for amortization	**219,130**	244,869
Advances to employees	**66,483**	69,777
Refundable and other deposits	**29,765**	29,782
Others	**10,755**	14,394
	₱1,038,462	₱978,480

12. Accounts Payable and Other Current Liabilities and Refund Liabilities

Accounts Payable and Other Current Liabilities

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Trade payables		
Non-related parties	**₱6,255,013**	₱6,197,721
Related parties (see Note 18)	**14,892**	14,578
Nontrade payables	**1,676,333**	2,559,920
Accruals for:		
Advertising and promotions	**703,328**	769,960
Trade spend	**549,212**	454,941
Selling, general and administrative expenses	**459,660**	321,695
Personnel costs	**274,077**	266,978
Other accruals	**170,130**	171,196
Provisions	**103,557**	92,666
Statutory payables	**760,738**	384,559
Others	**51,488**	88,386
	₱11,018,428	₱11,322,600

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

Refund Liabilities

As at March 31, 2023 and December 31, 2022, the Group's refund liabilities consist of the following:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Refund liabilities:		
Arising from rights of return	**₱268,488**	₱200,440
Arising from retrospective volume discounts	**6,860**	–
	₱275,348	₱200,440

13. **Loans Payable**

Description	Maturities	Interest Rates	**March 31, 2023** (Unaudited)	December 31, 2022 (Audited)
MFL				
£105.0 million term loan	June 2025 subject to extension of 2 years	Margin and SONIA	**₱7,081,515**	₱7,081,137
£4.0 million drawdown loan	November 2022	Margin and SONIA	**269,772**	269,758
			7,351,287	7,350,895
Unamortized debt issue costs			**(87,946)**	(97,881)
			₱7,263,341	₱7,253,014
Current portion			**₱269,772**	₱269,758
Non-current portion			**6,993,569**	–
			₱7,263,341	₱269,758

MFL Loan

As at March 31, 2023 and December 31, 2022, MFL has outstanding unsecured loans payable amounting to ₱7,351.3 million (£109.0 million) and ₱7,350.9 million (£109.0 million), respectively. The sterling term loan facility amounting to ₱7,081.2 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 June 30, 2022 and each quarter thereafter
- The Group is required to maintain an interest cover of greater than 3.0 from June 30, 2022 and each quarter thereafter.

As at March 31, 2023 and December 31, 2022, the Group is in compliance with these covenants.

For the three months ended March 31, 2023 and 2022, interest expense related to the loans amounted to ₱80.7 million and ₱48.8 million, respectively (see Note 17).

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

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Loans Payable		
Balance at January 1	**₱97,881**	₱65,235
Additions during the period	**−**	120,806
Amortization during the period		
(see Note 17)	**(9,829)**	(86,624)
Foreign currency translation adjustments	**(106)**	(1,536)
Total	**₱87,946**	₱97,881

For the three months ended March 31, 2022, amortization of debt issue costs amounted to ₱9.0 million (see Note 17).

14. **Equity**

Capital Stock
The details of the Parent Company's common stock as at March 31, 2023 and December 31, 2022 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 and 23 as at March 31, 2023 and December 31, 2022, respectively. With respect to the Parent Company's stockholders as at December 31, 2022, 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 137 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).

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 March 31, 2023 and December 31, 2022, undistributed retained earnings of subsidiaries amounting to ₱4,134.4 million and ₱4,530.2 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 March 31, 2023 and December 31, 2022.

Equity Reserve

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
MMYSC	**(₱532,573)**	(₱532,573)
MNTH	**(115,390)**	(115,390)
MNAC	**(7,733)**	(7,733)
KBT	**33,361**	33,361
	(₱622,335)	(₱622,335)

Cumulative Translation Adjustments

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Foreign investments:		
MNSPL	**(₱2,890,366)**	(₱2,845,103)
MNIIL	**(185,400)**	(185,219)
MNTH	**(43,116)**	(8,433)
MIL	**(58,853)**	(49,693)
Cross currency swap:		
MNC	**(525,534)**	(386,532)
	(₱3,703,269)	(₱3,474,980)

Cumulative translation adjustments are attributable to equity holders of the Parent Company as at March 31, 2023 and December 31, 2022.

Earnings per Share

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

	Quarters Ended March 31	
	2023 (Unaudited)	2022 (Unaudited)
Net income attributable to equity holders of the parent	**₱1,935,664**	₱2,331,747
Weighted average number of common shares	**17,968,611,496**	17,968,611,496
Basic/diluted EPS	**₱0.11**	₱0.13

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

Net Sales by Geography and Operating Segment

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
APAC BFB		
Philippines	**₱15,513,437**	₱13,685,087
Other countries	**1,011,806**	853,597
	16,525,243	14,538,684
Meat Alternative		
United Kingdom	**2,740,170**	2,897,795
United States	**244,490**	345,191
Other countries	**539,765**	515,867
	3,524,425	3,758,853
	₱20,049,668	₱18,297,537

All revenues are recognized at a point in time.

Cost of Goods Sold

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Direct materials	**₱11,128,238**	₱9,350,696
Direct labor	**719,546**	783,784
Manufacturing overhead (see Notes 9, 10 and 17)	**2,440,787**	2,484,612
Total manufacturing costs	**14,288,571**	12,619,092
Inventory movements (see Note 7):		
Finished goods	**(349,958)**	(406,331)
Work in-process	**12,541**	(336,906)
	₱13,951,154	₱11,875,855

16. Sales, General and Administrative Expenses

General and Administrative Expenses

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Salaries, wages and employee benefits	**₱1,032,521**	₱1,031,176
Outside services	**308,776**	105,115
Depreciation and amortization (see Notes 9 and 10)	**123,564**	113,743
Insurance	**61,251**	62,728
Taxes and licenses	**54,089**	46,657
Repairs and maintenance	**46,553**	76,884
Research and development	**46,087**	15,037
Fringe benefit tax	**35,907**	4,126
Entertainment, amusement and recreation	**22,497**	22,923
Rent (Notes 23 and 25)	**20,229**	8,353
Warehouse and office supplies	**19,046**	24,121
Inventory loss	**15,153**	50,532
Light and water	**13,406**	12,570
Recruitment and training expenses	**7,692**	3,975
Donations	**5,387**	1,246
Provision for ECL (Note 6)	**250**	–
Others	**133,410**	78,486
	₱1,945,818	₱1,657,672

Selling and Distribution Expenses

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Transportation and delivery	**₱805,440**	₱708,094
Advertising and promotions	**653,130**	1,069,026
Merchandising expense	**127,635**	81,732
	₱1,586,205	₱1,858,852

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

Finance Income

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Cash and cash equivalents	**₱78,312**	₱8,777
Noncurrent receivables	**1,989**	–
	₱80,301	₱8,777

Finance Costs

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Interest on loans payable (see Notes 13 and 20)	**₱80,711**	₱48,832
Interest expense on lease liabilities	**44,753**	52,520
Acceptance and trust receipts payable	**25,991**	15,817
Amortization of debt issue costs (see Note 13)	**9,829**	8,956
	₱161,284	₱126,125

Depreciation and Amortization Expense

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Property, plant and equipment (see Note 9)	**₱640,585**	₱636,207
Intangible assets (see Note 10)	**22,529**	19,062
	₱663,114	₱655,269

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Cost of goods sold (see Note 15)	**₱539,550**	₱541,526
Sales, general and administrative expense (see Note 16)	**123,564**	113,743
	₱663,114	₱655,269

Miscellaneous Income

Miscellaneous income mainly comprises of service fees charged by the Parent Company primarily for reimbursement of share of principals in common expenses, reversal of provision for ECL, 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.

18. 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	**March 31, 2023**	**₱16,202**	**₱–**	15 days;	Unsecured
	December 31, 2022	64,603	–	noninterest-bearing	
	March 31, 2022	16,134	–		
Monde Malee Beverages Corporation (MMBC)					
Miscellaneous income	**March 31, 2023**	**–**	**33,751**	30 days;	Unsecured;
	December 31, 2022	–	33,751	noninterest-bearing	no ECL
	March 31, 2022	–	33,777		
Trade purchases, net	**March 31, 2023**	**–**	**–**	30 days;	Unsecured
	December 31, 2022	17,748	–	noninterest-bearing	
	March 31, 2022	16,847	(5,056)		
Calaca Harvest Terminal Inc. (CHTI)					
Transportation and delivery expense and wheat handling fees	**March 31, 2023**	**76,928**	**(11,297)**	15 days;	Unsecured
	December 31, 2022	300,339	(14,578)	noninterest-bearing	
	March 31, 2022	59,977	(17,704)		
Advances	**March 31, 2023**	**11,002**	**11,002**	On demand;	Unsecured
	December 31, 2022	–	–	noninterest-bearing	
	March 31, 2022	–	–		
Common shareholders					
PT. Nissin Biscuit Indonesia					
Trade purchases, net	**March 31, 2023**	**12,712**	**(3,595)**	45 days;	Unsecured
	December 31, 2022	62,564	–	noninterest-bearing	
	March 31, 2022	5,452	(2,753)		
MNSG Holdings Pte. Ltd.					
Loans receivable*	**March 31, 2023**	**–**	**162,309**	2 years;	Unsecured
	December 31, 2022	–	162,300	interest-bearing	
	March 31, 2022	–	164,299		
Trade and other receivables (see Note 6)	**March 31, 2023**		**₱44,753**		
	December 31, 2022		33,751		
	March 31, 2022		33,777		
Loans receivable*	**March 31, 2023**		**162,309**		
	December 31, 2022		162,300		
	March 31, 2022		164,299		
Trade payables (see Note 12)	**March 31, 2023**		**(14,892)**		
	December 31, 2022		(14,578)		
	March 31, 2022		(25,513)		

**Presented under "noncurrent receivables"*

<u>MNSG Holdings Pte. Ltd.</u>

On July 3, 2020, MNSPL and MNSG Holdings Pte. Ltd. entered into a loan agreement wherein MNSPL agreed to lend ₱155.5 million ($3.0 million) to MNSG Holdings Pte. Ltd. with an interest rate of 3.65% per annum. The loan will mature on July 3, 2022.

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.

19. **Income Tax**

Deferred Income Tax

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

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Allowance for impairment loss	**₱375,806**	₱375,806
Pension liability	**123,174**	118,311
NOLCO	**81,928**	82,795
Refund liabilities	**68,837**	50,110
Allowance for inventory obsolescence	**53,509**	53,537
Right-of-use assets and lease liabilities	**41,884**	39,706
Derivative liability	**35,227**	–
Unrealized foreign exchange (gain) loss	**(21,807)**	1,472
Unrealized profits from intercompany sales	**20,908**	24,979
Unamortized past service cost	**9,592**	10,034
Excess of the tax base over the carrying amounts of non-monetary assets	**8,763**	8,856
Advances from customers	**5,430**	14,649
Allowance for ECL	**2,163**	2,220
Accrued expenses	**–**	86,103
Others	**6,998**	(666)
	812,412	867,912
Deferred tax liabilities – net		
Brand	**(3,446,635)**	(3,446,451)
Property, plant and equipment	**(1,305,385)**	(1,265,009)
NOLCO	**617,600**	428,178
Interest income	**(48,666)**	(48,664)
Unrealized foreign exchange gain	**192**	(10,459)
Others	**22,676**	22,672
	(4,160,218)	(4,319,733)
	(₱3,347,806)	(₱3,451,821)

20. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, loans receivable, noncurrent receivables, withholding tax receivables and advances to employees. The main purpose of these financial instruments is to fund the Group's operations. The Group has various other financial instruments such as accounts payable and other current liabilities, acceptance and trust receipts payable, 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 March 31, 2023 and December 31, 2022:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Financial Assets		
Cash and cash equivalents	**₱11,539,966**	₱11,628,627
Trade and other receivables	**6,876,971**	6,800,309
Financial assets at FVTPL	**2,867,260**	1,756,101
Noncurrent receivables	**662,309**	662,300
Advances to employees**	**66,483**	69,777
Withholding tax receivables*	**4,606**	4,655
	22,017,595	20,921,769
Financial Liabilities		
Accounts payable and other current liabilities***	**10,257,690**	10,938,041
Loans payable****	**7,356,356**	7,355,964
Acceptance and trust receipts payable	**1,140,808**	2,362,301
Lease liabilities****	**8,181,707**	8,351,401
	26,936,561	29,007,707
	(₱4,918,966)	(₱8,085,938)

**Recorded under "prepayments and other current assets"*
***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:

<u>Market Risk</u>
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.

<u>Interest Rate Risk</u>
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 March 31, 2023 and December 31, 2022 follows:

	March 31, 2023						
		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	**₱6,315,282**	**₱365,212**	**₱55,041**	**₱13,787**	**₱18,032**	**₱37,319**	**₱6,804,673**
Related parties	**–**	**–**	**–**	**–**	**33,751**	**–**	**33,751**
Other receivables	**75,788**	**74**	**4**	**–**	**–**	**–**	**75,866**
Noncurrent receivables	**662,309**	**–**	**–**	**–**	**–**	**115,266**	**777,575**
	₱7,053,379	**₱365,286**	**₱55,045**	**₱13,787**	**₱51,783**	**₱152,585**	**₱7,691,865**

	December 31, 2022						
		Days Past Due					
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Trade receivables:							
Non-related parties	₱5,721,241	₱849,060	₱45,720	₱21,571	₱25,893	₱37,546	₱6,701,031
Related parties	–	–	–	–	33,751	–	33,751
Other receivables	102,636	68	369	–	–	–	103,073
Noncurrent receivables	662,300	–	–	–	–	115,266	777,566
	₱6,486,177	₱849,128	₱46,089	₱21,571	₱59,644	₱152,812	₱7,615,421

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 6% and 7% of the Group's long-term debt will mature in less than one year at March 31, 2023 and December 31, 2022, 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 structured deposit, dual currency investment, structured note, cross currency swaps (CCS) and European Knockout Option (EKO) to manage its foreign currency and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of derivatives that are not designated as accounting hedges (structured deposit, dual currency investment, structured note) are recognized in the consolidated statements of income.

Structured Deposit

The Group invested in a principal protected structure with a potential enhanced return greater than the prevailing money market rate. The structured deposit will be redeemed at 100% of the principal amount, together with an interest amount based on the guaranteed rate plus the relevant enhanced rate depending on the applicable scenario at maturity date.

Pertinent details of the structured deposit are as follows:

Principal amount	Effective Date	Maturity Date	Guaranteed Rate	Lower Enhanced Rate	Higher Enhanced Rate
$10,000	09/07/22	03/07/23	0.00% p.a.	2.0% p.a.	4.4% p.a.
$5,200	12/07/22	09/07/23	0.00% p.a.	3.5% p.a.	8.0% p.a.

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
$10,000	09/09/22	12/08/22	USD	GBP	1.10	6.05% p.a.
$10,000	12/08/22	03/08/23	USD	GBP	1.10	6.35% p.a.
$3,000	03/07/23	06/05/23	USD	EUR	1.04	6.77% p.a.
$10,000	03/08/23	06/08/23	USD	EUR	1.04	6.50% 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.

Pertinent details of the structured note are as follows:

Issue Size	Effective Date	Maturity Date	Redemption at Maturity
$5,000	02/14/23	08/03/23	100% + 100% * Max
$5,000	02/14/23	02/05/24	100% + 160% * Max

The Group recognized market valuation gain of ₱9.4 million from fair value changes of structured deposit, dual currency investment and structured note for the three months ended March 31, 2023 under the "Market valuation gain on financial instruments at fair value through profit or loss (FVTPL)" account in the consolidated statement of comprehensive income.

CCS contract
On March 4, 2022, the Group entered into a non-deliverable CCS Agreement with a notional amount of ₱5,839.5 million (£85.0 million). On September 28, 2022, the Group fully unwind the CCS agreement to take advantage of the weakening of Pound Sterling. For the three months ended March 31, 2022, the Group recognized ₱45.1 million cumulative translation gain adjustment under other comprehensive income.

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 three months ended March 31, 2023, the Group recognized ₱139.0 million cumulative translation loss adjustment under other comprehensive income.

The Group recognized ₱1.3 million derivative loss from swaps entered and settled during the same period for the three months ended March 31, 2023.

The derivative gain recognized for the three months ended March 31, 2022 amounting to ₱75.5 million pertains to fair value changes of the interest rate swap agreement.

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 March 31, 2023 and December 31, 2022.

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:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Total debt	**₱27,848,316**	₱29,021,189
Total equity attributable to equity holders of the Parent Company	**53,836,061**	52,128,686
Debt-to-Equity Ratio	**0.52:1.00**	0.55:1.00

Fair Value of Financial Instruments
Cash and Cash Equivalents, Trade and Other Receivables, Accounts Payable and Other Current Liabilities, and Acceptance and Trust Receipts Payable. The carrying value of these financial assets and liabilities approximate their fair values as at March 31, 2023 and December 31, 2022 due to the short-term nature of these financial instruments.

Current financial assets at FVTPL. The current financial assets at FVTPL account consists of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. As at March 31, 2023, the fair values of these financial assets are based on their published net asset value per share.

Noncurrent financial assets at FVTPL. The noncurrent financial assets at FVTPL account consist of quoted and unquoted equity securities from Figaro Coffee Group, Inc. and Terramino Inc. As at March 31, 2023, the fair value of these financial assets are based on quoted prices. Unquoted equity securities with no reliable measure of fair value are carried at its last transaction price.

Noncurrent Receivables, Withholding Tax Receivables and Advances to Employees and Loans Payable. As at March 31, 2023 and December 31, 2022, the fair value of noncurrent receivables and loans payable with variable interest rates approximates the carrying amount due to frequent repricing of interest. Fair value of loans with fixed interest rate are determined using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

21. Supplemental Disclosure to Cash Flow Statements

The Group's material noncash activities are as follows:

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Cumulative translation adjustments (Note 20)	**₱228,289**	(₱34,300)
Additions to ROU assets (Note 9)	**−**	31,413

22. Other Matter and Subsequent Event

Commodity Prices
The Parent Company continues to see a gradual easing of commodity prices in the global markets. The impact of easing commodity prices was partly reflected in Q1 2023 for wheat and is expected for Q2 2023 for palm oil. The Parent Company already secured wheat prices until Q3 2023 and has diversified lock-in and spot positions on palm oil requirements until Q4 2023.

Additional Subscription to MNSPL and Equity Infusion to MNUKL
On May 10, 2023, the Parent Company's BOD authorized the Parent Company to subscribe to an additional 40.0 million ordinary shares in MNSPL at 1 British Sterling Pound (£1.00) per share, or total subscription price of £40.0 million, payable in several tranches, on or before December 31, 2023. The proceeds will be infused by MNSPL to MNUKL. MNUKL will in turn infuse said funds into MFL to partially pay down MFL's existing debt.

The partial pre-payment of MFL's external loan obligations using the Group's surplus cash will reduce the negative carry arising from increasing interest rates in connection with the external loan, and is aligned with the Group's efforts to better weather the current market conditions of the meat alternative category in the U.K and U.S while keeping the Group agile and ready to maximize opportunities when the market recovers.

Item 2

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

Group Overview

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

The APAC BFB Business comprises three product groups: (i) instant noodles; (ii) biscuits; and (iii) other products (such as beverages, baked goods, and culinary aids). According to Nielsen, a global marketing research company, for the three months ended March 31, 2023, the Group's APAC BFB Business ranked first based on retail sales value in the Philippines in the instant noodles, oyster sauce and yogurt drinks, sub-categories of the Others product group. Flagship brands contributing to the APAC BFB Business' market-leading position include: *Lucky Me!* for instant noodles; *Mama Sita's* for culinary aids; and *Dutch Mill* for yogurt.

Quorn Foods is the market leader in the meat alternatives market in the UK with *Quorn* and *Cauldron* being the No. 1 and No. 4 brands. Quorn Foods is the only large-scale commercial provider of mycoprotein. The fermentation process required to produce mycoprotein at scale requires significant capital investment and importantly a unique know-how which Quorn Foods has derived from over 30 years of operating experience to maximize yield and efficiency.

The Group operates with an aspiration to improve the well-being of the people and the planet by creating sustainable solutions for food security. These values are reflected in its product innovations and various aspects of its operations that create value to society and contribute to sustainable development. For example, to promote well-being, the Group made a move to offer noodles with no artificial preservatives added in *Lucky Me!* wet pouch and cups. In 2015, MONDE acquired Quorn Foods, which operates in the meat alternative market with sustainability at its heart. Other initiatives have been implemented by the Group to utilize available resources efficiently, move towards zero-waste-to-nature operations, and transition to low-carbon economy. In addition, the Group believes that its Meat Alternative Business represents a breakthrough innovation with the mycoprotein technology serving as a sustainable source of protein. According to a report by Carbon Trust (2018), the production of mycoprotein-based *Quorn Mince* results in only 7%, 11%, and 8% of beef's carbon, land, and water footprints, respectively. Similarly, the production of mycoprotein-based *Quorn Pieces* results in only 29%, 36%, and 34% of chicken's carbon, land, and water footprints, respectively.

SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The Group's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected its results in the past, and which the Group expects will continue to affect its results in the foreseeable future. Factors other than those discussed below could also significantly impact the Group'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, affects 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. In the first quarter (Q1) of 2023, biscuits, beverages, and packaged cakes have seen increasingly strong performance, broad-based across all APAC BFB categories. These products can be sensitive to movements in disposable incomes, changes in product prices, and competitive pressures. Volume, as well as value proved 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. The Group believes that Quorn mycoprotein meat alternative products are well-placed to serve this segment for customers who demand food products that are more environment-friendly and offer health benefits. 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, and Twitter), 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 materials 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, other fast-moving consumer products, and meat alternatives. 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. In the Meat Alternative Business, *Quorn* has an extensive range of vegan and vegetarian products. *Quorn* products also cover all key shop aisles: frozen and chilled. 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. The Meat Alternative Business competes with a broad category of market participants such as multi-national corporates, venture capital-backed newer entrants, and private labels, and also competes with traditional meat brands. Changes in the competitive landscape, including new entrants into the market, consolidation of existing competitors, and other factors, could have a material impact on the Group’s financials and results of operations.

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

The majority of the Group’s assets and revenues from its APAC BFB Business are in or derived from its operations in the Philippines. Therefore, the 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. Following the significant decline in COVID-19 cases in 2022, the Philippine economy has experienced significant growth recovery. 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. While presently all social and economic activity is operating without pandemic restrictions there is a low residual downside risk due to a possible infection resurgence caused by the occurrence of new variants that may evade previously gained immunity. In addition, the Russia-Ukraine conflict and the attached impacts on the global markets will continue to influence the Group materially in areas such as commodity and energy/fuel costs. While the Group notes that the world market prices have gone down from their peak prices, a downside risk remains in case of erratic changes to the conflict. As consumers grapple with uncertainty, their buying behavior and preferences become more erratic.

Sales of most of the products of the Group’s APAC BFB Business (APAC BFB segment) 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. As we are experiencing the agricultural policy stance may significantly influence the APAC BFB segment’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 with high inflation. While sales of a portion of the Group’s products such as biscuits, beverages, and packaged cakes can be sensitive to changes in income and social conditions, the Group offers products that are considered as staple items or components to staple items which are less sensitive to income changes and adverse economic, social, and political conditions. These include instant noodles, bread, and culinary aids.

The Group also conducts its APAC BFB Business in Thailand, including its export operations. As such, economic, social, and political conditions in Thailand may also affect the Group’s business, financial condition, results of operations, and prospects. We note the upcoming general election in Thailand in this context and attached possible disruptions and possible policy changes under a new administration. In addition, the economic environment globally may influence the expansion strategy of the export business as distributors act more cautiously on new product launches, advertising, and promotional spend. The significant improvements in the situation of global containers shipping in prices, as well as availability may influence growth and profitability of the export business positively in the upcoming periods post the full reopening of the Chinese market. 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 material levels of inflation, as well as the lingering effects of the exit from the European Union. Labor shortages in the food and transport industry and significant commodity and utility inflation are present and persisting in 2023, especially food inflation which is impacting consumers disposable income and purchasing habits. . This strong inflation footprint may impact the consumer buying behavior on a prolonged basis, and 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 UK manages the exit from the COVID-19 pandemic and its economic recovery. 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 Group's strongest quarter by volume for culinary aids and some of its biscuit products, including *M.Y. San Grahams*. Seasonality during certain events also affects the Group's sales. In addition, seasonality varies across product types. Some of the Group's products have distinct seasonality. For instance, *Lucky Me!* wet pouch instant noodles see an increase in sales in the colder months due to consumers' preference for warm food. The Philippine government also sources instant noodles and crackers, as staples in its relief goods packages, from the Group for distribution to the public. A number of biscuit products experience higher sales during the school year as the Group's products are generally purchased for lunch boxes, between-meals, on-the-go consumption, and consumption at home. As a result, seasonality could affect the Group's financial condition and results of operations from one quarter to another. To counter the seasonality of some of its products, the Group created 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.

COVID-19 Pandemic

The impact of COVID-19 pandemic on the Group's operation has subsided. Nevertheless, the Group is continuously monitoring the situation as infection case resurgences may impact the ongoing economic recovery, and operations.

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, 2022 and as at March 31, 2023 and for the three months ended March 31, 2022, and March 31, 2023, was derived from the Group's unaudited interim consolidated financial statements, prepared in accordance with Philippine Accounting Standard 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 costs, interest income, net foreign exchange gains (losses), net gains (losses) on derivative financial instruments, and other non-recurring income (expenses) NRI/(E). In Q1 2023, NRE refers to restructuring costs in the 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, 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 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 three months ended March 31, 2023.

I. SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

A. CORE INCOME AFTER TAX RECONCILIATION

	Unaudited in millions, except percentages						
	Q1 2023 Reported	% to Net Sales (in %)	Q1 2022 Reported	% to Net Sales (in %)	Inc (Dec) (in %)	Q1 2022 Adjusted	Comparable[1] Inc (Dec) (in %)
Net Sales	20,050	100.0	18,298	100.0	9.6	18,084	10.9
Less: **Cost of Goods Sold**	13,951	69.6	11,876	64.9	17.5	11,876	17.5
Gross Profit	6,099	30.4	6,422	35.1	(5.0)	6,208	(1.8)
Less: Sales, General & Administrative (SGA) (2)	3,355	16.7	3,517	19.2	(4.6)	3,303	1.6
Other Income (Expense)							
Less: Interest expense (3)	(123)	(0.6)	(74)	(0.4)	66.2	(74)	66.2
Foreign exchange loss - net (4)	(179)	(0.9)	(35)	(0.2)	411.4	(35)	411.4
	(302)	(1.5)	(109)	(0.6)	177.1	(109)	177.1
Core Income Before Tax	2,442	12.2	2,796	15.3	(12.7)	2,796	(12.7)
Less: Provision for income tax (5)	564	2.8	672	3.7	(16.1)	672	(16.1)
Core Income (After Tax)	1,878	9.4	2,124	11.6	(11.6)	2,124	(11.6)
Less: Non-Controlling Interest	2	–	3	–	(33.3)	3	(33.3)
Core Income (After Tax) at Ownership	1,876	9.4	2,121	11.6	(11.6)	2,121	(11.6)

B. REPORTED NET INCOME AFTER TAX RECONCILIATION

	Unaudited in ₱ millions, except percentages				
	Q1 2023 Reported	% to Net Sales (in %)	Q1 2022 Reported	% to Net Sales (in %)	Inc (Dec) (in %)
Core Income (After Tax)	**1,878**	**9.4**	**2,124**	**11.6**	**(11.6)**
Other income (expenses)					
Foreign exchange gain - net (6)	129	0.6	68	0.4	89.7
Share in net earnings (losses) from associates and Joint ventures	5	–	9	–	(44.4)
Miscellaneous income	22	0.1	30	0.2	(26.7)
Impairment (loss)/reversal	–	–	(1)	–	*n/m*
	156	0.7	106	0.6	47.2
Finance income (expense)					
Less: Interest expense (7)	(38)	(0.2)	(52)	(0.3)	(26.9)
Interest income	80	0.4	9	–	788.9
Derivative gain (loss) – net	(1)	0.0	75	0.4	*n/m*
	41	0.2	32	0.2	28.1
Other Non-recurring expenses					
Restructuring costs	(177)	(0.9)			*n/m*
	(177)	(0.9)	–	–	*n/m*
Income Tax Provision (8)	40	0.2	73	0.4	(45.2)
Reported net income (after tax)	**1,938**	**9.7**	**2,335**	**12.8**	**(17.0)**

Note: See "Other Financial Data – reconciliation of PFRS and non-PFRS measures."
n/m – not meaningful
[1] Comparable growth was based on adjusted Q1 2022 numbers to reflect PFRS-15 related reclassication (from selling expenses to contra-revenue) amounting to ₱214 million
[2] 2023 excludes ₱177 million restructuring costs provision in Meat Alternative.
[3] Recurring interest expense on Loans and Trust Receipts Payable
[4] Foreign exchange loss on U.S dollars balances for the Group's natural hedge.
[5] Based on recurring income tax rate per entity.
[6] Excluding foreign exchange loss on USD reserves for the Group's natural hedge (included in the Core Income calculation above)
[7] Excluding recurring interest expense on Loans and Trust Receipts Payable (included in the Core Income calculation above)
[8]Pertains to 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; and Core Income before tax, Core Income before margin, Core Income (after tax), Core Income (after tax) margin, Core Income (after tax) at Ownership and Core Income (after tax) at Ownership margin.

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

	Unaudited, in ₱ millions, except percentages						
	Q1 2023 (Reported)	**% to Total (in %)**	**Q1 2022 (Reported)**	**% to Total (in %)**	**Reported Inc/(Dec) (in %)**	**Q1 2022 (Adjusted)**	**Comparable[1] Inc/(Dec) (in %)**
Net Sales							
APAC BFB	16,525	82.4	14,539	79.5	13.7	14,325	15.4
Meat Alternative	3,525	17.6	3,759	20.5	(6.2)	3,759	(6.2)
Total	**20,050**	**100.0**	**18,298**	**100.0**	**9.6**	**18,084**	**10.9**
Gross Profit		% of Segment Net Sales (in %)		% of Segment Net Sales (in %)			
APAC BFB	5,149	31.2	4,995	34.4	3.1	4,781	7.7
Meat Alternative	950	27.0	1,427	38.0	(33.4)	1,427	(33.4)
Total	**6,099**	**30.4**	**6,422**	**35.1**	**(5.0)**	**6,208**	**(1.8)**
Core Income (after tax)							
APAC BFB	2,198	13.3	2,137	14.7	2.9	2,137	2.9
Meat Alternative	(320)	(9.1)	(13)	(0.3)	*n/m*	(13)	*n/m*
Total	**1,878**	**9.4**	**2,124**	**11.6**	**(11.6)**	**2,124**	**(11.6)**
Core EBITDA [2]							
APAC BFB	3,550	21.5	3,382	23.3	5.0	3,382	5.0
Meat Alternative	(116)	(3.3)	218	5.8	*n/m*	218	*n/m*
Total	**3,434**	**17.1**	**3,600**	**19.7**	**(4.6)**	**3,600**	**(4.6)**

n/m – not meaningful %
[1] *Comparable growth was based on adjusted Q1 2022 to reflect PFRS-15 related reclassication (from selling expenses to contra-revenue) amounting to ₱214 million*
[2] See "*Other Financial Data – Core EBITDA Reconciliation*"

RESULTS OF OPERATIONS

For the three months ended March 31, 2023, compared to the three months ended March 31, 2022

Net Sales

Consolidated net sales increased by 9.6% on a reported basis and 10.9% on a comparable basis to ₱20,050 million in Q1 2023 due to strong growth in all categories in APAC BFB.

APAC BFB

APAC BFB net sales increased by 13.7% on a reported basis and 15.4% on a comparable basis to ₱16,525 million in Q1 2023 driven by double-digit growth accross geographic markets. The domestic business grew 13.4% on a reported basis and 15.2% on a comparable basis. This was driven by price actions and volume growth in all categories, led by biscuits and other categories and supported by full recovery of noodles. Beverages, packaged cakes, and culinary continued to show strong performance versus prior year. Noodles' full recovery confirmed in Q1 2023 as evidenced by market share recovery to 68.0% for 4 weeks ending March 31, 2023 and 9% and 20% volume (kilogram) growth versus Q4 2022 and Q1 2019, respectively. Meanwhile, international business increased by 18.6% due to strong growth in all categories.

Meat Alternative

Net sales in the Meat Alternative segment decreased by 6.2% on a reported basis and 4.3% on an organic basis to ₱3,525 million in Q1 2023 because of continued category headwinds. Overall, UK and US sales declined by 1.9% and 33.6%, respectively, on an organic basis due to challenging retail market. While retail sales remained a challenge, *Quorn* has performed well against a competitor in the UK retail market, as evidenced by continued market share gains. Meanwhile, the foodservice business grew by 4.6% in Q1 2023.

Core Cost of Goods Sold (COGS)

Cost of goods sold increased by 17.5% to ₱13,951 million in Q1 2023, primarily due to elevated commodity and energy prices, higher volume, and higher manufacturing costs.

APAC BFB

The cost of goods sold in the APAC BFB segment increased by 19.2% to ₱11,376 million in Q1 2023, due to elevated commodity prices and higher sales volume. Q1 2022 was a challenging baseline as it reflects the lowest commodity prices in 2022 partly due to favorable lock-ins. Meanwhile, in Q1 2023, wheat, palm oil, and sugar remained elevated. Wheat and palm oil prices were partly affected by delayed depletion of lock-ins, secured at a market price in the first half of 2022, due to the temporary decline of noodles in Q3 2022. However, compared with Q4 2022, overall effects of commodity inflation softened due to run off of some of elevated locks in and softening of prices of other oil-based ingredients.

Meat Alternative

The cost of goods sold in the Meat Alternative segment increased by 10.4% to ₱2,575 million in Q1 2023 despite volume decline, primarily due to elevated commodity and energy prices, higher overhead costs, and unfavourable operating leverage.

Core Gross Profit

Gross profit decreased by 5.0% on a reported basis and 1.8% on comparable basis to ₱6,099 million in Q1 2023. The decline was due to challenges in Meat alternative segment tapered by the improvement in APAC BFB.

APAC BFB

Gross profit for the APAC BFB segment increased by 3.1% on a reported basis and 7.7% on a comparable basis to ₱5,149 million in Q1 2023 due strong volume growth and net positive peso price recovery over inflation but with dilutive effects on margins.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 33.4% to ₱950 million in Q1 2023 due to volume decline, higher manufacturing costs and unfavorable operating leverage, partly mitigated by price increases.

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

Sales, general and administrative expenses (excluding restructuringi costs) decreased by 4.6% on a reported basis and increased by 1.6% on a comparable basis to ₱3,355 million in Q1 2023.

APAC BFB

SG&A in the APAC BFB segment decreased by 1.1% on a reported basis due to high base as Q1 2022 includes certain payments to customers that were reported as part of selling expenses in Q1 to Q3 2022 but reclassified to contra-revenue in Q4 2022. Based on adjusted Q1 2022, SG&A increased by 10% to ₱2,113 million in Q1 2023 primarily due higher logistics costs due to volume growth and inflation.

Meat Alternative

SG&A excluding restructuring costs in the Meat Alternative segment decreased by 10.1%, to ₱1,242 million in Q1 2023 primarily due to lower spending on advertising and promotional activities.

Core Foreign Exchange Loss

Foreign exchange loss on US dollar in Q1 2023 was at ₱179 million due to strengthening of Philippine peso against US dollar. This was partly offset by the forex gains from payable transactions reported under non-core.

Core Income (After Tax)

Core income (after tax) declined by 11.6% to ₱1,878 million in Q1 2023, for the reasons discussed above.

Non-Core Foreign Exchange Gain

Foreign exchange gain increased by 89.7% to ₱129 million in Q1 2023 due to strengthtening of Philippine peso against the US dollar. The gains were mainly on accounts payable, trust receipts and acceptance payable.

Interest Income

Interest income in Q1 2023 was ₱80 million mainly from US dollar and peso denominated market placements/time deposits.

Income Before Income Tax

Income before tax decreased by 16.1% to ₱2,462 million in Q1 2023, for the reasons discussed above.

Total Income Tax Expense

Total income tax expense decreased by 12.5%, to ₱524 million in Q1 2023 due to lower Q1 2023 income versus prior year.

Reported Net Income (after tax)

As a result of the foregoing, Group's reported net income decreased by 17.0% to ₱1,938 million in Q1 2023.

STATEMENT OF FINANCIAL POSITION

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

Current Assets

The Group's current assets decreased by 1.1%, from ₱32,333 million as at December 31, 2022 to ₱31,985 million as at March 31, 2023.

	March 31, 2023		**December 31, 2022**		**Increase (Decrease)**	
	Unaudited	**% to Total (In %)**	**Audited**	**% to Total (In %)**	**Amount**	**In %**
		in ₱ millions, except percentages				
Cash and cash equivalents	11,540	36	11,629	36	(89)	(0.8)
Trade and other receivables	6,877	22	6,800	21	77	1.1
Inventories	10,457	33	10,879	34	(422)	(3.9)
Current financial assets	1,980	5	1,756	5	224	12.8
Prepayments and other current assets	1,131	4	1,269	4	(138)	(10.9)
Total	**31,985**	**100**	**32,333**	**100**	**(348)**	**(1.1)**

Current financials assets increased by 12.8%, from to ₱1,756 as at December 31, 2022 to ₱1,980 million due to additional investments in the financial assets at FVTPL accounts.

Prepayments and other current assets decreased by 10.9%, from ₱1,269 million as at December 31, 2022 to ₱1,131 million as at March 31, 2023 mainly due to usage of prepaid taxes in MNUK and other prepayments in MNUK and MNC.

Noncurrent Assets

The Group's noncurrent assets slightly increased by 1.8%, from ₱48,960 million as at December 31, 2022 to ₱49,844 million as at March 31, 2023

	March 31, 2023		December 31, 2022		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Intangible assets	14,505	29	14,483	30	22	0.2
Property, plant and equipment	30,830	62	30,864	63	(34)	(0.1)
Investments in associates and joint ventures	1,109	2	1,104	2	5	0.5
Deferred tax assets – net	812	2	868	2	(56)	(6.5)
Financial assets at FVTPL – Noncurrent	888	2	–	–	888	*n/m*
Noncurrent receivables	662	1	662	1	0	0.0
Other noncurrent assets	1,038	2	979	2	59	6.0
Total	**49,844**	**100**	**48,960**	**100**	**884**	**1.8**

Deferred tax assets decreased by 6.5% from ₱868 million as at December 31,2022 to ₱812 million as at March 31, 2023 due to reduction in MNC as a result actualization of prior year accruals.

The noncurrent financial assets at FVTPL accounts pertain 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. As at March 31, 2023, the fair value of FCG was based on quoted price.

Current Liabilities

The Group's current liabilities decreased by 7.8%, from ₱14,752 million as at December 31, 2022 to ₱13,607 million as at March 31, 2023 due to retirement of acceptances and trust receipts payable.

	March 31, 2023		December 31, 2022		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in ₱ millions, except percentages					
Accounts payable and other current liabilities	11,018	81	11,323	77	(305)	(2.7)
Acceptances and trust receipts payable	1,141	8	2,362	16	(1,221)	(51.7)
Current portion of loans payable	270	2	270	2	–	–
Refund liabilities	275	2	201	1	74	36.8
Current portion of lease liabilities	313	2	386	3	(73)	(18.9)
Income tax payable	590	4	210	1	380	181.0
Total	**13,607**	**99**	**14,752**	**100**	**(1,145)**	**(7.8)**

Acceptances and trust receipts payable decreased by 51.7%, from ₱2,362 million as at December 31, 2022 to ₱1,141 million as at March 31, 2023 due to retirement of some trust receipts payable to save on interest expenses and in consideration of higher cash availability.

Refund liabilities increased by 36.8%, from ₱201 million as at December 31, 2022 to ₱275 million as at March 31, 2023. The provision was consistent with PFRS 15.

Income tax payable increased by 181.0%, from ₱210 million as at December 31, 2022 to ₱590 million as at March 31, 2023 mainly due to income tax payable of MNC and MMYSC related to Q1 2023 taxable income.

Noncurrent Liabilities

The Group's noncurrent liabilities was flat, from ₱14,270 million as at December 31, 2022 to ₱14,242 million as at March 31, 2023.

	March 31, 2023		December 31, 2022		Increase (Decrease)	
	Unaudited	**In %**	**Audited**	**In %**	**Amount**	**%**
	in ₱ millions, except percentages					
Loans payable	6,994	49	6,983	49	11	0.2
Deferred tax liabilities – net	4,160	29	4,320	30	(160)	(3.7)
Derivative liability	139	1	–	–	139	*n/m*
Lease liabilities	2,382	17	2,423	17	(41)	(1.7)
Pension liability	530	4	507	4	23	4.5
Other noncurrent liabilities	37	–	37	–	–	–
Total	**14,242**	**100**	**14,270**	**100**	**(28)**	**(0.2)**

Equity

The Group's total equity slightly increased by 0.7% from ₱81,292 million as at December 31, 2022 to ₱81,829 million as at March 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

Overview

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

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 remaining IPO proceeds (for APAC BFB only) and bank borrowings.

Cash Flows

The following discussion of the Group's cash flows for the three months ended March 31, 2022 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.

	Three Months ended, March 31	
	2023	2022
	Unaudited, (in ₱ millions)	
Net cash flows provided by operating activities	2,092	809
Net cash flows used in investing activities	(1,905)	(1,088)
Net cash flows from (used in) financing activities	(258)	(72)
Net increase in cash and cash equivalents	**(71)**	**(351)**
Effect of Exchange Rate Changes on cash and cash equivalents	(17)	(25)
Cash and cash equivalents at beginning of year	**11,629**	**13,857**
Cash and cash equivalents as at March 31,	**11,541**	**13,481**

Net cash flow provided by operating activities

The net cash flows provided by operating activities were ₱2,092 million for the year ended March 31, 2023. Cash generated from operations (after adjusting for, among other things, depreciation, amortization, and working capital changes) was ₱2,244 million. The Group generated cash from interest received amounting to ₱96 million and paid income taxes of ₱248 million.

The net cash flows provided by operating activities were ₱809 million for the three months ended March 31, 2022. Cash generated from operations (after adjusting for, among other things, depreciation, amortization, and working capital changes) was ₱1,413 million. The Group paid income taxes of ₱614 million.

Net cash flows used in investing activities

The Group's net cash flows used in investing activities were ₱1,905 million for the three months ended March 31, 2023. The net cash outflow primarily for the MNC's invesment for the various current financial assets at FVTL amounting to ₱235 million (net of inflow), 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 outlows pertain to various CapEx amounting to ₱636 million.

The Group's net cash flows used in investing activities were ₱1,088 million for the three months ended March 31, 2022. The cash outflow primarily for the Group's payments for CapEx of ₱1,106 million.

Net cash flows used in financing activities

The net cash flows used in financing activities were ₱258 million for the three months ended March 31, 2023. The net cash outflow primarily consists of payment of interest expense and lease liabilities.

The net cash flows used in financing activities were ₱72 million for the three months ended March 31, 2022. The net cash outflow primarily consists of 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 Sales Growth, Gross Margin, Net Profit margin, Core EBITDA margin, and Core Return on equity.

	March 31, 2023	**December 31, 2022**
Current ratio	2.35	2.19
Acid test ratio	1.50	1.37
Solvency ratio	0.38	0.38
Debt-to-equity ratio	0.52	0.56
Asset-to-equity ratio	1.52	1.56
	Three Months ended	
	2023	**2022**
Net Sales Growth*	9.6%	7.2%
Gross Margin*	30.4%	35.1%
Core Net Income After Tax margin (at ownership)*	9.4%	11.6%
Core EBITDA Margin	17.1%	19.7%
Core Return on equity**	12.0%	10.9%
Core Return on assets**	7.8%	7.3%
Interest rate coverage ratio	21.3	28.6

** Reported*
*** Annualized for Q1 2023, 2022 based on full year*

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

Financial ratios	Formula
Current ratio	Current assets / Current liabilities
Acid test ratio	Cash and cash equivalents + Current receivables+ Current Financial Assets / Current liabilities
Solvency ratio	Net income attributable to equity holders of the Company + Depreciation and amortization + Impairment Loss / Total liabilities
Debt-to-equity ratio (1)	Total liabilities (current + noncurrent) / Equity attributable to equity holders of the Company
Asset-to-equity ratio	Total assets (current + noncurrent) / Equity attributable to equity holders of the Company
Interest rate coverage ratio (2)	Core EBITDA / Finance Costs
Net Sales Growth	Current period net sales – prior period net sales / Prior period net sales
Gross margin	Gross profit / Net Sales
Core EBITDA Margin	Core EBITDA / Net Sales
Net profit margin	Core Income after-tax at Ownership / Net sales
Core Return on equity	Core income after-tax at Ownership / Equity attributable to equity holders of the Company (average)*
Core Return on assets	Core income after-tax at Ownership / Total assets (average)*

Note:
(1) (average) means the average of the amounts from the beginning and end of the same period.

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 2023 CapEx plan and actual spend for the three months ended March 31, 2023 and 2022.

	FY Plan	Q1 Actual	
	2023	2023	2022
		(in ₱ millions)	
APAC BFB	6,050	409	639
Meat Alternative	1,374	227	467
Total	**7,424**	**636**	**1,216**

In Q1 2022, APAC BFB's major CapEx was primarily for additional investment for new manufacturing plant in Malvar Batangas, investment in machineries to improve operational efficiencies and new noodles production lines. Meanwhile, in Q1 2023, major CapEx was primarily on various machineries, licenses, and IT system to improve operational efficiencies and capabilities.

In Q1 2022, Meat Alternative's major CapEx was mainly to increase production fermentation capacity. Meanwhile, in Q1 2023, investments were primarily to improve paste design capability and to increase capacity for deli products.

2023 capital plan in APAC BFB's is primarily to improve capacity/ capability of bakery businesses and investment in various machineries to improve operational efficiences. Meat Alternative's 2023 plan is mainly to improve operational efficiences.

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:

	Three months-ended, March 31, 2023			
	PFRS Reported	**Non-PFRS Adjustments APAC BFB**	**Meat Alternative**	**Non-PFRS Reported**
		(Unaudited, in ₱ millions)		
NET SALES	**20,050**			**20,050**
Less: COST OF GOODS SOLD	**13,951**			**13,951**
GROSS PROFIT	**6,099**	**-**	**-**	**6,099**
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net		-	-	-
General and administrative expenses	1,946		(177)	1,769
Selling expenses	1,586			1,586
	3,532	-	(177)	3,355
Core Other Income/(Expense)				
Interest Expense - Orchid+Trust Receipts		(123)		(123)
Forex loss -net on US dollar		(179)		(179)
	-	(302)	-	(302)
CORE INCOME BEFORE TAX	**2,567**	**(302)**	**177**	**2,442**
				-
OTHER INCOME (CHARGES)				
Foreign exchange (loss)/ gain – net	(50)	179		129
Share in net earnings of an associate	4			4
Market valuation gain (loss) on financial instruments at fair value through profit or loss	(28)			(28)
Miscellaneous Income	51			51
	(23)	**179**	**-**	**156**
INCOME BEFORE FINANCE INCOME (EXPENSES)	**2,544**	**(123)**	**177**	**2,598**
FINANCE INCOME (EXPENSES)				
Interest income	80			80
Interest expense	(161)	123		(38)
Derivative gain	(1)			(1)
	(82)	123	-	41
Other Non-Recurring Expenses				
Impairment loss – Net		-	-	-
Restructuring costs			(177)	(177)
	-	-	(177)	(177)
INCOME BEFORE INCOME TAX	**2,462**	**-**	**-**	**2,462**
PROVISION FOR CURRENT INCOME TAX				
Current	627			627
Deferred	(104)			(104)
PROVISION FOR CURRENT INCOME TAX	524	-	-	524
NET INCOME FROM CONTINUING OPERATIONS	**1,938**	**-**	**-**	**1,938**

	Three months ended, March 31, 2022			
	PFRS Reported	**Non-PFRS Adjustments APAC BFB**	**Meat Alternative**	**Non-PFRS Reported**
		(Unaudited, in ₱ millions)		
NET SALES	18,298	-		18,298
Less: COST OF GOODS SOLD	11,876	-		11,876
GROSS PROFIT	**6,422**	**-**	**-**	**6,422**
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	1	(1)		-
General and administrative expenses	1,658			1,658
Selling expenses	1,859			1,859
	3,518	(1)	-	3,517
Core Other Income/(Expense)				
Interest Expense - Orchid+Trust Receipts		(74)		(74)
Forex loss on USD Stockpile		(35)		(35)
	-	(109)	-	(109)
CORE INCOME BEFORE TAX	**2,903**	**(107)**	**-**	**2,796**

	Three months ended, March 31, 2022			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
OTHER INCOME (CHARGES)				
Foreign exchange gain – net	33	35		67
Share in net earnings of an associate	9			9
Market valuation gain (loss) on financial instruments at fair value through profit or loss	0			
Miscellaneous Income	31			31
	73	**35**	**-**	**108**
INCOME BEFORE FINANCE INCOME (EXPENSES)	**2,977**	**(73)**	**-**	**2,904**
FINANCE INCOME (EXPENSES)				
Interest income	9			9
Interest expense	(126)	74		(52)
Derivative gain	75			75
	(42)	74	-	32
Other Non-Recurring Expenses				
Impairment loss – Net		(1)		(1)
	-	(1)	-	(1)
INCOME BEFORE INCOME TAX	**2,935**	**-**	**-**	**2,935**
PROVISION FOR CURRENT INCOME TAX				
Current	727			727
Deferred	(127)			(127)
PROVISION FOR CURRENT INCOME TAX	599	-	-	599
NET INCOME FROM CONTINUING OPERATIONS	**2,335**	**-**	**-**	**2,335**

II. EBITDA Reconciliation

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

	For the three months ended March 31, 2023		
	APAC BFB	Meat Alternative	Total
	(Unaudited, in ₱ millions)		
Income before Income Tax	3,027	(565)	2,462
Interest Expense	61	100	161
Interest Income	(72)	(8)	(80)
EBIT	3,016	(473)	2,543
Derivative Loss	1	–	1
Foreign Exchange Loss (net)	46	4	50
Other non-recurring expenses	–	177	177
Depreciation and Amortization Expense	487	176	663
EBITDA	**3,550**	**(116)**	**3,434**

	For the three months ended March 31, 2022)		
	APAC BFB	Meat Alternative	Total
	(Unaudited, in ₱ millions)		
Income before Income Tax	2,867	67	2,934
Interest Expense	65	61	126
Interest Income	(8)	(1)	(9)
EBIT	2,924	127	3,051
Derivative Gain	-	(75)	(75)
Foreign Exchange (Gain) – Net	(27)	(6)	(33)
Impairment Loss	1	–	1
Depreciation and Amortization Expense	484	172	656
EBITDA	**3,382**	**218**	**3,600**

III. FINANCIAL LIABILITIES

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

	(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*	2,157	8,068	33	–	–	10,258
Loans Payable**	–	–	275	7,082	–	7,356
Lease liabilities	–	61	243	885	6,992	8,182
Acceptance and trust receipts payable	–	–	1,141	–	–	1,141
	2,157	8,129	1,692	7,967	6,992	26,937

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

Off-Balance Sheet Arrangements

As at March 31, 2023, 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 discuss below, see Note 20 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 creates natural hedges on its short currency exposure and uses call options to cover tail risks.

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 March 31, 2023, 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.

Capital Commitments

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱1,480 million and ₱1,448 million as at March 31, 2023 and December 31, 2022, respectively.

OTHER MATTERS

Commodity Prices

The Parent Company continues to see a gradual easing of commodity prices in the global markets. The impact of easing commodity prices was partly reflected in Q1 2023 for wheat and is expected for Q2 2023 for palm oil. The Parent Company already secured wheat prices until Q3 2023 and has diversified lock-in and spot positions on palm oil requirements until Q4 2023.

Additional Subscription to MNSPL and Equity Infusion to MNUKL

On May 10, 2023, the Parent Company's Board of Directors (BOD) authorized the Parent Company to subscribe to an additional 40.0 million ordinary shares in Monde Nissin Singapore Pte Limited (MNSPL) at 1 British Sterling Pound (£1.00) per share, or total subscription price of £40.0 million, payable in several tranches, on or before December 31, 2023. The proceeds will be infused by MNSPL to Monde Nissin, UK Ltd. (MNUKL). MNUKL will in turn infuse said funds into Marlow Foods Limited (MFL) to partially pay down MFL's existing debt.

The partial pre-payment of MFL's external loan obligations using the Group's surplus cash will reduce the negative carry arising from increasing interest rates in connection with the external loan, and is aligned with the Group's efforts to better weather the current market conditions of the meat alternative category in the U.K and U.S while keeping the Group agile and ready to maximize opportunities when the market recovers.

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.

	Three Months Average Rate, ending March 31,		**Closing Rate**	
	2023	**2022**	**March 31, 2023**	December 31, 2022
1 GBP	**66.6901**	69.1711	**67.4430**	67.4394
1 USD	**54.8191**	51.5730	**54.3600**	55.7550

PART II--OTHER INFORMATION

Board of Directors

The following table sets forth the Company's Board of Directors as at March 31, 2023:

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
Romeo L. Bernardo	Lead Independent Director
Nina Perpetua D. Aguas	Independent Director
Marie Elaine Teo	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

May 15, 2023
Date

HENRY SOESANTO
Chief Executive Officer

JESSE C. TEO
Chief Financial Officer