



April 16, 2026

**PHILIPPINE DEALING & EXCHANGE CORP.**

29<sup>th</sup> Floor, BDO Equitable Tower  
8751 Paseo de Roxas,  
Makati City 1226

Attention: **ATTY. SUZY CLAIRE R. SELLEZA**  
Head – Issuer Compliance and Disclosure Department  
Philippine Dealing & Exchange Corp.

Subject: **Annual Report for the year 2025**

Gentlemen:

Please be informed that the disclosure sent herewith was submitted by San Miguel Food and Beverage, Inc. to the Philippine Stock Exchange, Inc. on April 15, 2026.

Very truly yours,

**ALEXANDRA VICTORIA B. TRILLANA**  
Corporate Secretary and Compliance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.**

40 San Miguel Avenue, Mandaluyong City  
Metro Manila, Philippines  
Tel. No.: (632) 5 317-5000  
Website: [www.smfb.com.ph](http://www.smfb.com.ph)

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended  
Dec 31, 2025
2. SEC Identification Number  
11840
3. BIR Tax Identification No.  
000-100-341-000
4. Exact name of issuer as specified in its charter  
SAN MIGUEL FOOD AND BEVERAGE, INC.
5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
40 San Miguel Avenue, Mandaluyong City, Metro Manila  
Postal Code  
1555
8. Issuer's telephone number, including area code  
(632) 5317-5000
9. Former name or former address, and former fiscal year, if changed since last report  
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC 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 SHARES (FB)                             | 5,909,220,090                                                               |
| SERIES B BONDS DUE MARCH 2027                  | 7,000,000,000.00                                                            |
| TOTAL DEBT as of 31Dec25 (IN MIL PESO - CONSO) | 192,564                                                                     |

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:

PHILIPPINE STOCK EXCHANGE, INC. – COMMON SHARES PHILIPPINE DEALING  
& EXCHANGE CORP. – SERIES B BONDS DUE 2027

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

☒ Yes ☐ No

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

☒ Yes ☐ No

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

Php 34,403,581,738.25 as of March 31, 2026

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

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

☒ Yes ☐ No

**DOCUMENTS INCORPORATED BY REFERENCE**

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

(a) Any annual report to security holders

N/A

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

N/A

(c) Any prospectus filed pursuant to SRC Rule 8.1

N/A

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**SAN MIGUEL**  
FOOD AND BEVERAGE, INC.

## San Miguel Food and Beverage, Inc. FB

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

|                           |                   |
|---------------------------|-------------------|
| For the fiscal year ended | Dec 31, 2025      |
| Currency                  | PHP (In Millions) |

### Balance Sheet

|                               | Year Ending  | Previous Year Ending |
|-------------------------------|--------------|----------------------|
|                               | Dec 31, 2025 | Dec 31, 2024         |
| Current Assets                | 146,262      | 144,192              |
| Total Assets                  | 389,307      | 377,106              |
| Current Liabilities           | 120,269      | 116,706              |
| Total Liabilities             | 192,564      | 196,917              |
| Retained Earnings/(Deficit)   | 115,001      | 102,926              |
| Stockholders' Equity          | 196,743      | 180,189              |
| Stockholders' Equity - Parent | 128,483      | 116,111              |
| Book Value Per Share          | 21.74        | 19.65                |

### Income Statement

|                                                        | Year Ending  | Previous Year Ending |
|--------------------------------------------------------|--------------|----------------------|
|                                                        | Dec 31, 2025 | Dec 31, 2024         |
| Gross Revenue                                          | 419,060      | 400,872              |
| Gross Expense                                          | 358,020      | 345,080              |
| Non-Operating Income                                   | 5,505        | 4,698                |
| Non-Operating Expense                                  | 5,637        | 6,823                |
| Income/(Loss) Before Tax                               | 60,908       | 53,667               |
| Income Tax Expense                                     | 14,628       | 12,734               |
| Net Income/(Loss) After Tax                            | 46,280       | 40,933               |
| Net Income/(Loss) Attributable to Parent Equity Holder | 30,128       | 25,743               |
| Earnings/(Loss) Per Share (Basic)                      | 5.1          | 4.36                 |



|                                     |   |   |
|-------------------------------------|---|---|
| Earnings/(Loss) Per Share (Diluted) | - | - |
|-------------------------------------|---|---|

#### Financial Ratios

|                                        | Formula                                                          | Fiscal Year Ended | Previous Fiscal Year |
|----------------------------------------|------------------------------------------------------------------|-------------------|----------------------|
|                                        |                                                                  | Dec 31, 2025      | Dec 31, 2024         |
| Liquidity Analysis Ratios:             |                                                                  |                   |                      |
| Current Ratio or Working Capital Ratio | Current Assets / Current Liabilities                             | 1.22              | 1.24                 |
| Quick Ratio                            | (Current Assets - Inventory - Prepayments) / Current Liabilities | 0.79              | 0.75                 |
| Solvency Ratio                         | Total Assets / Total Liabilities                                 | 2.02              | 1.92                 |
| Financial Leverage Ratios              |                                                                  |                   |                      |
| Debt Ratio                             | Total Debt/Total Assets                                          | 0.24              | 0.26                 |
| Debt-to-Equity Ratio                   | Total Debt/Total Stockholders' Equity                            | 0.48              | 0.54                 |
| Interest Coverage                      | Earnings Before Interest and Taxes (EBIT) / Interest Charges     | 13.49             | 12.16                |
| Asset to Equity Ratio                  | Total Assets / Total Stockholders' Equity                        | 1.98              | 2.09                 |
| Profitability Ratios                   |                                                                  |                   |                      |
| Gross Profit Margin                    | Sales - Cost of Goods Sold or Cost of Service / Sales            | 0.29              | 0.28                 |
| Net Profit Margin                      | Net Profit / Sales                                               | 0.11              | 0.1                  |
| Return on Assets                       | Net Income / Total Assets                                        | 0.12              | 0.11                 |
| Return on Equity                       | Net Income / Total Stockholders' Equity                          | 0.24              | 0.23                 |
| Price/Earnings Ratio                   | Price Per Share / Earnings Per Common Share                      | 10.79             | 12.11                |

#### Other Relevant Information

Please see attached SEC Form 17-A (Annual Report) of the Company filed with the Securities and Exchange Commission via SEC eFAST on April 15, 2026.  
The Company also filed the audited Separate/Parent Financial Statements via the SEC eFAST on April 15, 2026. A copy of which is hereto attached.

#### Filed on behalf by:

|             |                                            |
|-------------|--------------------------------------------|
| Name        | Alexandra Victoria Trillana                |
| Designation | Corporate Secretary and Compliance Officer |

# COVER SHEET

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(Company's Full Name)

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

ALEXANDRA VICTORIA B. TRILLANA

Contact Person

(632) 5317-5450

Company Telephone Number

## ANNUAL REPORT

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Total No. of Stockholders

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**SAN MIGUEL FOOD AND BEVERAGE, INC. and  
SUBSIDIARIES**

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(Company's Full Name)

**40 San Miguel Avenue, Mandaluyong City,  
Metro Manila, Philippines**

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(Company's Address)

**5317-5000**

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(Telephone Number)

**December 31**

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(month & day)

**SEC Form 17-A Annual Report**

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Form Type

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Amendment Designation (if applicable)

**December 31, 2025**

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Period Ended Date

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(Secondary License Type and File Number)

# SEC FORM 17-A

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

1. For the calendar year ended December 31, 2025
2. SEC Identification Number 11840
3. BIR Tax Identification No. 000-100-341-000
4. Exact name of issuer as specified in its charter SAN MIGUEL FOOD AND BEVERAGE, INC.
5. Philippines Province, country or other jurisdiction  
of incorporation or organization
6. \_\_\_\_\_ SEC Use Only  
Industry classification code
7. 40 San Miguel Avenue, Mandaluyong City  
Metro Manila, Philippines Address of principal office
- 1555 Postal Code
8. (02) 5317-5000 Issuer's telephone number, including area code
9. Not applicable Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC

| Title of Each Class                            | Number of Shares of Stock Issued and Outstanding<br>and Debt Outstanding (As at December 31, 2025) |
|------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>Common - P 1 par value</b>                  | <b>5,909,220,090</b>                                                                               |
| <b>Series B Bonds due March 2027 (In Peso)</b> | <b>7,000,000,000</b>                                                                               |
| <b>Total Liabilities (in '000,000)</b>         | <b>P192,564</b>                                                                                    |

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

Yes ( ☒ ) \_\_\_\_\_ No ( ☐ ) \_\_\_\_\_

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

|                                                |                                |
|------------------------------------------------|--------------------------------|
| <b>Philippine Stock Exchange</b>               | <b>Common shares</b>           |
| <b>Philippine Dealing &amp; Exchange Corp.</b> | <b>Series B Bonds due 2027</b> |

12. Check whether the issuer:

- a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder, and Sections 26 and 177 of the Revised Corporation Code of the Philippines during the preceding 12 months (or such shorter period that the registrant was required to file such reports):

Yes ( ☒ ) \_\_\_\_\_ No ( ☐ ) \_\_\_\_\_

- b) Has been subject to such filing requirements for the past 90 days:

Yes ( ☒ ) \_\_\_\_\_ No ( ☐ ) \_\_\_\_\_

13. Aggregate market value (in '000,000) of the voting stocks held by non-affiliates as at December 31, 2025, and March 31, 2026, were P36,495 and P34,404, respectively.

**Documents incorporated by reference**

14. The following documents are incorporated by reference:

Please refer to annexes referred to and identified in this document.

## PART I – BUSINESS AND GENERAL INFORMATION

### Item 1. Business

San Miguel Food and Beverage, Inc., formerly San Miguel Pure Foods Company Inc. (the “Company” or “SMFB”), was incorporated in 1956 to engage primarily in the business of manufacturing and marketing of processed meat products. The Company, through its subsidiaries, later diversified into poultry and livestock operations, feeds and flour milling, dairy and coffee operations, franchising, animal health care products, and bulk grain handling and storage terminal operations.

The Company has been listed on the Philippine Stock Exchange, Inc. (“PSE”) since 1973 and the Philippine Dealing & Exchange Corp. (“PDEX”) since 2020.

In early 2018, the Company amended its primary purpose and changed its corporate name to the present one to reflect its expansion into the alcoholic and non-alcoholic beverage business. The Securities and Exchange Commission (“SEC”) approved the changes on March 23, 2018.

On June 29, 2018, the SEC approved the increase in authorized capital stock of the Company, by virtue of which the Company issued new common shares to its intermediate parent San Miguel Corporation (“SMC”) in exchange for SMC’s common shares in San Miguel Brewery Inc. (“SMB”) and Ginebra San Miguel Inc. (“GSMI”), completing the consolidation of the food and beverage businesses of SMC under the Company.

As a result of the consolidation, the Company is now also engaged in the manufacture, sale, and distribution of alcoholic and non-alcoholic beverages.

The Company and its subsidiaries (collectively referred to as the “Group”) is a leading food and beverage company in the Philippines. The brands under which the Company produce, market, and sell its products are among the most recognizable and top-of-mind brands in the industry and hold market-leading positions in their respective categories. Key brands in the SMFB portfolio include *San Miguel Pale Pilsen*, *San Mig Light*, and *Red Horse* for beer, *Ginebra San Miguel* for gin, *Magnolia* for chicken, dairy, ice cream, flour mixes, and salad aids, *Monterey* for fresh and marinated meats, *Purefoods* and *Purefoods Tender Juicy* for refrigerated and canned processed meats and prepared meals, *Star* for non-refrigerated margarine and processed meats, *Dari Crème* for refrigerated margarine, *San Mig Super Coffee* for coffee, *B-MEG* for animal feeds, *NutriChunks AlphaPro* for dog food, and *Majesty* for cat food.

The Company has three primary operating segments—(i) Beer and non-alcoholic beverages (“NAB”), (ii) Spirits, and (iii) Food. The Beer and NAB segment and the Spirits segment comprise the beverage business. The Company operates its beverage business through SMB and its subsidiaries (collectively, SMB or the “Beer and NAB Segment”) and GSMI and its subsidiaries (collectively, GSMI or the “Spirits Segment”). The Food segment is managed through a number of other subsidiaries, including San Miguel Foods, Inc., Magnolia Inc., The Purefoods-Hormel Company, Inc., San Miguel Mills, Inc., and San Miguel Super Coffeemix Co., Inc. (collectively, the “Food Segment”).

SMFB serves the Philippine archipelago through an extensive distribution and dealer network and exports its products to almost 70 markets worldwide.

#### Beer and NAB Segment

The Beer and NAB Segment is the largest producer of beer in terms of both sales and volume in the Philippines, offering a wide array of beer products across various segments and markets. Top beer brands in the Philippines include *San Miguel Pale Pilsen*, *Red Horse*, *San Mig Light*, and *Gold Eagle*. Its flagship brand, *San Miguel Pale Pilsen*, has a history of 135 years and was first produced by *La Fabrica de Cerveza de San Miguel*, which started as a single brewery producing a single product in 1890 and has evolved through the years to become the diversified conglomerate that is SMC. The Beer and NAB Segment also produces NAB such as ready-to-drink tea, ready-to-drink juice, water, and carbonates.

In 2009, Kirin Holdings Company, Limited (“Kirin”) acquired a 48.39% shareholding in SMB, of which 43.249% was acquired from SMC and the remaining 5.141% by virtue of a mandatory tender offer and purchase from public shareholders. SMC retained majority ownership of SMB with a shareholding of 51.0%. In connection with Kirin’s investment in SMB, Kirin and SMC entered into a shareholders’ agreement providing for, among others, corporate governance and approvals, cooperation in the conduct of the business, restrictions on the transfer of SMB shares, and other customary arrangements. SMFB adhered to the shareholders’ agreement with Kirin and agreed to be bound by the same terms and conditions as a party to the said shareholders’ agreement. As of December 31, 2024, SMFB owns 51.16% and Kirin owns 48.54% of SMB.

In 2015, SMB acquired the NAB business from GSMI, which acquisition included property, plant and equipment, finished goods, and inventories such as containers on hand, packaging materials, goods-in-process, and raw materials used in the NAB business. The acquisition is in line with the multi-beverage strategy of SMB that seeks to expand its product portfolio in the NAB market, among others. This transfer will also benefit from SMB’s Returnable Glass Bottle system, strong distribution network, and competitive positioning.

### **Spirits Segment**

The Spirits Segment is the leading spirits producer in the Philippines and the largest gin producer internationally by volume. It is the market leader in gin and Chinese wine in the Philippines. GSMI produces some of the most recognizable spirits in the Philippine market, including gin, Chinese wine, brandy, vodka, rum and other spirits. Ginebra traces its roots to a family-owned Spanish era distillery that introduced the *Ginebra San Miguel* brand in 1834. The distillery was then acquired by La Tondeña Incorporada in 1924, and thereafter by SMC in 1987 to form La Tondeña Distillers, Inc. In 2003, the company was renamed Ginebra San Miguel Inc. in honor of the pioneering gin brand.

GSMI is a public company listed on the PSE under the stock symbol “GSMI”. On December 1, 2020, GSMI’s Board of Directors approved the redemption and payment of 32,786,885 preferred shares held by SMC in GSMI on January 4, 2021. The said redemption resulted in the increase in SMFB’s ownership in GSMI from 67.99% to 75.78% as of December 31, 2021.

### **Food Segment**

The Food Segment holds market-leading positions in many key food product categories in the Philippines and offers a broad range of high-quality food products and services to household, institutional, and foodservice customers. The Food Segment has some of the most recognizable brands in the Philippine food, animal feeds, and pet care industries, including *Magnolia* for chicken, dairy, ice cream, flour mixes, and salad aids, *Timplados* for ready-to-cook chicken products, *Monterey* for fresh and marinated meats, *Purefoods Tender Juicy* for hotdogs, *Purefoods* for other refrigerated processed meats, ready-to-eat meals, canned meats, and seafood line, *Veega* for plant-based protein food products, *Star* for non-refrigerated margarine and processed meats, *Dari Crème* for refrigerated margarine, *San Mig Super Coffee* for coffee, *B-MEG* for animal feeds, *NutriChunks* and *AlphaPro* for dog food, and *Majesty* for cat food.

The Food Segment has a diversified product portfolio that ranges from branded value-added refrigerated meats and canned meats, ready-to-eat cooked meals, seafood, plant-based protein, butter, margarine, cheese, milk, ice cream, salad aids, flour mixes, and coffee products (collectively “Prepared and Packaged Food”) to integrated feeds, pet care, and veterinary medicines (“Animal Nutrition and Health”), poultry and fresh meats (“Protein”), as well as flour milling, bulk grain handling and storage, foodservice, and international operations (“Others”).

### **Products and Brands**

#### **Beer and NAB Segment**

SMB’s product portfolio has grown over the years from a single product produced in a single brewery in 1890.

SMB markets its beer under the following brands: *San Miguel Pale Pilsen*, *Red Horse*, *Red Horse Super*, *San Mig Light*, *San Miguel Flavored Beer*, *San Miguel Super Dry*, *San Miguel Premium All-Malt*, *San Miguel Cerveza Negra*, *San Miguel Cerveza Blanca*, *San Mig Zero*, and *Gold Eagle*. SMB also

produces *San Mig Free*, an alcohol-free, non-fermented beverage with no added caloric and non-caloric sweeteners, as well as *San Mig Hard Seltzer*, an easy-to-drink alcoholic beverage made from sparkling water with alcohol in citrus mix flavor. Further, SMB exclusively distributes *Kirin Ichiban* in the Philippines.

In 2024, SMB launched the limited-edition *San Miguel Chocolate Lager*, a full-bodied dark beer with a rich dark chocolate taste, subtle caramel notes, and topped with a creamy head that brings out a delectable roasted malt aroma.

In 2025, SMB introduced the limited-edition *San Miguel Mango Yuzu*, a Belgian-style wheat beer with natural mango and yuzu flavors and real fruit juice.

SMB's NAB business portfolio includes *Magnolia Cali*, a sparkling non-alcoholic drink, *Magnolia Healthtea* (ready-to-drink tea), *Magnolia Fruit Drink* (ready-to-drink juice), and *Magnolia Flavored Water* (still flavored water). In 2025, SMB shifted its *Magnolia Fruit Drink* flavors to *Magnolia Healthtea* while *Magnolia Flavored Water* was discontinued to focus its portfolio on *Magnolia Cali* and *Magnolia Healthtea*.

San Miguel Brewing International Limited ("SMBIL") and its subsidiaries ("SMBIL Group") also offer the *San Miguel Pale Pilsen* and *San Mig Light* brands in Hong Kong, China, Taiwan, Thailand, Vietnam, Indonesia, and most export markets, *Red Horse* in Thailand, China, Taiwan, Hong Kong, Vietnam, and selected export markets, as well as *Red Horse Super* in key African export markets, in addition to locally available brands: *Valor* and *Blue Ice* (Hong Kong), *Dragon* (South China), *W1N Bia* (Vietnam), and *Anker* and *Kuda Putih* (Indonesia).

The SMBIL Group likewise sells a portfolio of specialty beers including *San Mig Zero* in Thailand and United Arab Emirates, *San Miguel Flavored Beer* in Vietnam, Taiwan, Japan, United Arab Emirates, and the United States, *San Miguel Cerveza Negra* in Hong Kong, China, Vietnam, Indonesia, Thailand, United States, South Korea, Singapore, Taiwan, and United Arab Emirates, as well as *San Miguel Cerveza Blanca* in Hong Kong, Thailand, Vietnam, Indonesia, South Korea, Singapore, Taiwan, and United Arab Emirates.

Meanwhile, as part of its NAB portfolio, SMBIL carries *San Miguel NAB* and *San Miguel Flavored NAB* in Korea and Saudi Arabia.

### **Spirits Segment**

GSMI has a diverse product portfolio that caters to the varied preferences of the local market. Core brands *Ginebra San Miguel*, *Vino Kulafu*, and *GSM Blue*, the leading brands in the gin and Chinese wine categories, accounted for 99% of GSMI's total revenues. The other products that complete the liquor business of GSMI comprise about 1% of its total revenues. These products are available nationwide while some are exclusively exported to select countries.

GSMI exports products to markets with high concentration of Filipino communities such as the United Arab Emirates, Taiwan, India, Cayman Islands, New Zealand, Canada, Japan, Australia, Hong Kong, Saipan, Malta, British Virgin Islands, Singapore, Macau, and the United States of America. It also produces *Tondeña Manila Rum* that is for export only.

With the onset of the COVID-19 pandemic in early March 2020, GSMI pivoted its production facilities to produce disinfecting 70% ethyl alcohol and donated over 1.3 million liters of such disinfectant alcohol around the country. In the third quarter of 2020, GSMI commercially launched *San Miguel Ethyl Alcohol* to provide supply of disinfectant alcohol in the local market as well as help stabilize the price.

### **Food Segment**

The Food Segment produces a wide range of food and animal feed products. Its brand portfolio includes some of the most recognizable and well-regarded brands in the Philippines, such as *Magnolia*, *Monterey*, *Purefoods*, *Purefoods Tender Juicy*, *Star*, *Dari Crème*, *San Mig Super Coffee*, and *B-MEG*.

The discussion below presents the key operating subsidiaries, products, brands, and services for each of the primary businesses of the Food Segment: Prepared and Packaged Food, Animal Nutrition and Health, Protein, and Others.



### **Prepared and Packaged Food**

The Prepared and Packaged Food business includes refrigerated meats, canned meats, ready-to-eat meals, dairy, ice cream, spreads, salad aids, and coffee.

The major operating subsidiaries for the Prepared and Packaged Food business are The Purefoods-Hormel Company, Inc. ("PHC"), Magnolia Inc. ("Magnolia"), and San Miguel Super Coffeemix Co., Inc. ("SMSCCI"). PHC, a 60:40 joint venture with Hormel Netherlands, B.V., produces and markets value-added refrigerated processed meats and canned meat products. The joint venture agreement, which was entered into in 1998, sets out the parties' agreement as shareholders of PHC, including, among others, provisions on technical assistance and sharing of know-how, the use of trademarks, fundamental matters requiring shareholder or Board of Directors' approval, exclusivity covenants, and restrictions on the transfer of PHC shares.

Value-added refrigerated meats include hotdogs, nuggets, bacon, hams, and other ready-to-eat meals and meat free products, which are sold under the brand names *Purefoods*, *Purefoods Tender Juicy*, *Star*, *Higante*, *Purefoods Beefies*, *Vida*, *Purefoods Nuggets*, *Purefoods Ready-to-Eat*, and *Veega*. Canned meats, such as corned beef, luncheon meats, sausages, sauces, meat spreads, and ready-to-eat viands, are sold under the *Purefoods*, *Star*, and *Ulam King* brands.

The dairy and spreads business, primarily operated through Magnolia, manufactures and markets a variety of bread spreads, milk, ice cream, salad aids, and flour mixes. Bread spreads include butter, refrigerated and non-refrigerated margarine, and cheese sold primarily under the *Magnolia*, *Dari Crème*, *Star*, *Cheezee*, *Quickmelt*, *Daily Quezo*, and *Buttercup* brands. Dairy products under the *Magnolia* brand include ready-to-drink *Magnolia Pure Fresh Milk* and *Chocolait*, *Gold Label* ice cream, and all-purpose cream. Flour mixes and salad aids like mayonnaise, sandwich spreads, and dressings, are likewise marketed and sold under the *Magnolia* brand. The margarine brands, *Star* and *Dari Crème*, established in 1931 and 1959 respectively, were acquired in the 1990s.

The coffee business under SMSCCI is a 70:30 joint venture between SMFB and a Singaporean partner, Jacobs Douwe Egberts RTL SCC SG Pte. Ltd., formerly Super Coffee Corporation Pte. Ltd. SMSCCI imports, packages, markets, and distributes coffee mixes in the Philippines.

### **Animal Nutrition and Health**

The Animal Nutrition and Health business produces compound feeds, pet care products, and veterinary medicines.

The operating subsidiary for the Animal Nutrition and Health business is San Miguel Foods, Inc. ("SMFI"). Commercial feed products include hog feeds, layer feeds, broiler feeds, free range fowl feeds, duck feeds, aquatic feeds, quail feeds, branded feed concentrates, and specialty and customized feeds. These feeds are marketed and sold under various brands such as *B-MEG*, *B-MEG Premium*, *B-MEG Expert*, *B-MEG Bonanza*, *B-MEG Mega Mash*, *Jumbo*, *B-MEG Integra*, *B-MEG Powermaxx*, *B-MEG Essential*, and *Pureblend*. SMFI likewise markets and sells dog food under the *NutriChunks* and *AlphaPro* brands, and cat food under the *Majesty* brand. Other dog treats and supplements are also marketed under *NutriChunks*. Further, SMFI sells various veterinary medicines and preparations under *San Miguel Animal Health Care*.

### **Protein**

SMFI is also the operating subsidiary for the Protein business, which sells poultry and fresh meats products.

The poultry business operates a vertically-integrated production process that spans from broiler breeding to producing and marketing chicken products, primarily for retail. Its broad range of chicken products is sold under the *Magnolia* brand, which includes fresh-chilled or frozen whole and cut-up products. A wide variety of fresh and easy-to-cook products, such as those under the brand *Magnolia Chicken Timplados*, are sold in supermarkets, *Manukang Bayan*, wet markets, and through community sellers. The poultry business also sells customized products to foodservice, supplies supermarket house brands, serves chicken products to wet markets through distributors, and sells live chickens to dealers.

The fresh meats business breeds, grows, and processes hogs and trades beef and pork products. Its operations include breeding, growing, and slaughtering live hogs and processing beef and pork carcasses into primal and sub-primal meat cuts. These specialty cuts and marinated products are sold in neighborhood and supermarket meat shops under the well-recognized *Monterey* brand name.

### **Others**

Flour milling, the manufacture and marketing of premixes and baking ingredients, foodservice, and international operations, are categorized under Others. The bulk of this segment is accounted for by the Company's flour milling business and grain terminal operation.

The flour milling business operates under San Miguel Mills, Inc. ("SMMI"). SMMI owns Golden Bay Grain Terminal Corporation, which provides grain handling services (e.g. unloading, storage, bagging, and outloading) to clients, and Golden Avenue Corp., which holds investments in real properties.

The flour milling business offers a variety of flour products that includes bread flour, noodle flour, biscuit and cracker flour, all-purpose flour, cake flour, whole wheat flour, customized flour, and flour premixes, such as pancake mix, cake mix, brownie mix, *pan de sal* mix, and *puto* (or rice cake) mix. The business pioneered the development of customized flours for specific applications, such as noodles and *pan de sal*, a soft bread commonly eaten in the Philippines for breakfast. Flour products are sold under brand names which enjoy strong brand loyalty among its institutional clients and other intermediaries, such as bakeries and biscuit and noodle manufacturers.

The Food Segment currently has operations in Vietnam. San Miguel Foods Investment (BVI) Limited, which operates San Miguel Pure Foods (Vn) Co., Ltd. in Vietnam, is a wholly-owned subsidiary of San Miguel Foods International, Limited. It is in the business of production and marketing of processed meats which are sold under the *Le Gourmet* brand. The Company also holds a 75% stake in PT San Miguel Foods Indonesia (formerly PT Pure Foods Suba Indah), which is a joint venture with PT Hero Intiputra of Indonesia. PT San Miguel Foods Indonesia was engaged in the production and sale of processed meats sold under the *Farmhouse* and *Vida* brands, until it ceased operations on October 31, 2021.

Great Food Solutions ("GFS"), a group under SMFI, is the foodservice selling arm of the Prepared and Packaged Food and flour milling businesses primarily catering to key foodservice chain accounts. These include quick service restaurants, convenience stores, pizza chains, and bakeshops. GFS markets and sells foodservice formats of the value-added meats, dairy, spreads, coffee, and flour businesses. For smaller foodservice accounts, the Food Segment engages third-party distributors for the selling and distribution of their products.

The list of products of the Group is attached hereto as **Annex "D"**.

### **Percentage of Sales Contributed by Foreign Operations**

The Group's 2025 foreign operations contributed about 0.36% of consolidated sales.

### **Distribution Methods of Products and Services**

#### **Beer and NAB Segment**

SMB markets, sells, and distributes its products principally in the Philippines. SMB owns and operates seven strategically located production facilities across the country (Valenzuela City, Metro Manila; Sta. Rosa, Laguna; San Fernando City, Pampanga; Mandaue City, Cebu; Bacolod City, Negros Occidental; Darong, Sta. Cruz, Davao del Sur; and Tagoloan, Misamis Oriental) with an aggregate production capacity of approximately 24 million hectoliters per year and overall utilization rate of approximately 70% in 2025.

SMB believes that it maintains an extensive and efficient distribution system in the Philippines, which encompasses the seven strategically located production facilities across the country, and a broad network of sales offices and warehouses, supported by dealerships and third-party service providers. The strategic locations of SMB's production facilities in the Philippines reduce overall risks by having

alternative product sources to avert possible shortages, meet surges in demand in any part of the country, and help ensure that the products are freshly delivered to customers at an optimal cost. SMB's products are delivered from any one of SMB's seven production facilities by contract haulers and, in certain circumstances, by a fleet of boats, to retailers and consumers generally within five to seven days from production in the facilities, ensuring quality and sufficient stocks wherever and whenever *San Miguel* products are needed. As of December 31, 2025, SMB's products are distributed and sold at approximately 700,000 outlets, including off-premise, on-premise, and e-premise, through over 50 sales offices and approximately 400 dealers throughout the Philippines.

SMB also formed a key accounts group to handle accounts management and business development of modern trade accounts such as hypermarkets and convenience stores, and to increase visibility in selected on-premise outlets. Field sales operations, on the other hand, are responsible for the servicing requirements of these accounts.

SMB's non-alcoholic beverage products are manufactured by SMB. Distribution of non-alcoholic products utilizes the same network and channels as SMB's alcoholic beverage products, and the sales organization and systems were enhanced to meet the requirements of SMB's multi-beverage business.

As of December 31, 2025, SMB, together with its dealers and accounts specialists, had a sales force of approximately 1,800 in the Philippines.

SMB likewise operates delivery services in Metro Manila and selected cities through the "8632-BEER" (8632-2337) hotline delivery program and online platform, SMB Delivers ([www.smbdelivers.com](http://www.smbdelivers.com)), which allow customers to place their orders by calling, text messaging, or ordering online. The delivery services enable SMB to tap into emerging segments such as the online market and consumers located at home or in other private spaces that prefer to directly place orders for SMB products.

International operations are conducted in Hong Kong, China, Vietnam, Thailand, and Indonesia, through SMBIL, a subsidiary of SMB. The SMBIL Group includes SMBIL subsidiaries San Miguel Brewery Hong Kong Limited, which is listed on The Stock Exchange of Hong Kong Limited, and PT Delta Djakarta Tbk, which is listed on the Indonesia Stock Exchange.

The SMBIL Group has one brewery each in Indonesia, Vietnam, Thailand, Hong Kong, and China, with an aggregate production capacity of approximately 4.6 million hectoliters per year as of December 31, 2025. Third party service providers transport the products produced from these breweries to customers, consisting of dealers, wholesalers, retail chains, and other outlets, depending on the market. The SMBIL Group maintains a total sales force of over 400 employees in the said five countries, with ten sales regions in China (Guangzhou, Greater Foshan), six in Indonesia, seven in Thailand, and five in Vietnam. In Thailand, all local sales are done through San Miguel Beer (Thailand) Limited's marketing arm, San Miguel Marketing (Thailand) Limited, a subsidiary of SMBIL. As of December 31, 2025, international operations account for 10.3% of the total revenues of SMB.

In addition, SMBIL also exports its beer products to approximately 70 countries and territories globally in North America, South America, Europe, Africa, the Middle East, Australia, and the rest of Asia. Exports are primarily sold under various beer brands as well as under private labels.

### **Spirits Segment**

GSMI primarily distributes majority of its products nationwide to consumers through territorial distributorship by a network of dealers and through GSMI's sales offices strategically situated across the country. Furthermore, some off-premise outlets such as supermarkets, grocery stores, sari-sari stores, and convenience stores, as well as on-premise outlets such as bars, restaurants, and hotels are directly served by GSMI through its Key Accounts Group and On-premise Group. GSMI has ninety-two (92) dealer sites that are responsible for distributing and selling GSMI's products within a geographical area consisting of specified outlets and seventeen (17) sales offices as of year-end 2025. For areas where there are no appointed dealers, GSMI's sales offices directly serve the wholesalers or retailers. GSMI has also made its products available in popular e-commerce selling platforms to further widen distribution reach and sales channels.

Meanwhile, the Logistics Group of GSMI is responsible for planning, coordination, and delivery of products from the plants to various sales offices, dealers, wholesalers, and select directly-served

retailers. Thereafter, products are sold by trade partners to a multitude of retail touch points and eventually to consumers nationwide and to a limited extent, internationally.

Most product deliveries to dealers are made through third-party haulers while GSMI-owned routing trucks are generally utilized for directly-served outlets. GSMI also engages third-party service providers to handle warehouse management and delivery to various destination points as the need arises.

### **Food Segment**

The Food Segment sells its products through four channels, namely, general trade, modern trade, institutional accounts, and e-commerce. General trade channels include traditional trade markets in the Philippines, such as small grocery stores, wholesalers and dealers, bakeries, wet markets, community resellers, and mom and pop (or *sari-sari*) stores. Modern trade channels include major supermarket chains, hypermarkets, large groceries, and convenience stores. Institutional accounts include quick service restaurants, hotels, bakeshop and pizza chains, food manufacturers, small foodservice operators, and large commercial farms for feeds. Prepared and Packaged Food and flour products are also exported to the Middle East, Asia, North America, Europe, and Oceania mainly to supply Filipino communities abroad.

Like the Beer and NAB and the Spirits Segments, the Food Segment's products are likewise available for purchase in popular e-commerce selling platforms. Consumers may also conveniently shop online in the San Miguel Mart app or website (<https://www.sanmiguelmart.ph/>), a one-stop e-store exclusively carrying San Miguel food products in key cities nationwide.

### **Prepared and Packaged Food**

San Miguel Integrated Sales, a group under SMFI, handles the sale and distribution of products under the Prepared and Packaged Food business through modern trade channels (e.g., major supermarket chains, hypermarkets, convenience stores). For certain general trade channels (e.g., local supermarkets, small groceries, wet market traders, mom and pop stores) and smaller foodservice accounts, the subsidiaries under the Prepared and Packaged Food business, through San Miguel Integrated Sales, engage third-party distributors for the marketing, sale, and distribution of their products. GFS, on the other hand, distributes the Prepared and Packaged Food business' products to key foodservice chain accounts (e.g., quick service restaurants, convenience stores, pizza chains, bakeshops).

Domestic distribution is handled by the respective logistics groups, which manage planning, technical logistics services, warehousing, and transportation, while the exports group handles exports to serve Filipino communities in Asia, North America, the Middle East, Europe, and Oceania.

### **Animal Nutrition and Health**

The Animal Nutrition and Health business produces animal and aquatic feeds for both the Food Segment's internal requirements and for the commercial feeds market. Feeds supplied to the Protein business are not included in the revenue or volume sold of the Animal Nutrition and Health business.

Majority of the feeds products for the commercial market, as well as pet food, pet care products, and veterinary medicines are sold through authorized distributors within a defined territory, while a smaller portion of commercial feeds are sold directly to hog, poultry, and aquatic farm operators. For the sale of commercial feeds, pet food, pet care, and veterinary medicines products, dedicated sales teams supported by technical experts focus on growing existing markets and developing new ones.

### **Protein**

To always ensure product availability, the Protein business maintains a sales force to handle the selling of their products to major accounts like supermarkets, hypermarkets, and meat shops, and engages third-party distributors to handle the selling of their products to community resellers, groceries, *Manukang Bayan* selling stations, and wet markets. In addition, the Protein business supplies a portion of the requirements of the Prepared and Packaged Food business.

Majority of the Protein business' products are distributed directly from production facilities to supermarkets and foodservice operators. The distribution infrastructure includes a network of cold storage facilities located throughout the Philippines and a large fleet of company-owned and third-party contracted vehicles.

### **Others**

The sales force of SMMI handles the marketing and selling of flour to large institutional users, while its dealers take care of selling flour products to the general trade customers. GFS markets and sells foodservice formats of the flour business to key foodservice chain accounts.

### **Status of Any Publicly-Announced New Product or Service**

#### **Beer and NAB Segment**

In 2025, SMB introduced the limited-edition *San Miguel Mango Yuzu*, a Belgian-style wheat beer with natural mango and yuzu flavors and real fruit juice.

SMB also introduced packaging innovations such as 500ml cans for *San Miguel Pale Pilsen* and *San Mig Light*, limited-edition 330ml can for *San Miguel Pale Pilsen*, new labels for *San Mig Free* 330ml bottle and can, as well as multipacks for *San Miguel Premium Beer* bottles and 500ml King Cans. For the non-alcoholic beverages, the *Magnolia Fruit Drink* flavors were shifted to *Magnolia Healthtea* while *Magnolia Flavored Water* was discontinued to focus the portfolio on *Magnolia Cali* and *Magnolia Healthtea*.

Following the success of the *Lychee* variant, *San Miguel Flavored Beer Apple* was introduced in Taiwan in January 2025, further strengthening the brand's presence in the flavored beer segment.

In South China, *Dragon Yue X*, a new variant under the *Dragon Beer* portfolio, was launched in February 2025. This 500 ml light beer is brewed in Shunde and is distributed exclusively through the traditional trade off-premise channel in the Shunde region.

Additionally, *San Miguel Cerveza Blanca* and *San Miguel Cerveza Negra* were introduced in the United Arab Emirates to capitalize on the market's growing demand for premium and specialty beers. Meanwhile, *San Mig Light* was launched in Mongolia, to expand its portfolio and market presence.

#### **Spirits Segment**

The Spirits segment did not launch any new major product in 2025.

#### **Food Segment**

The Food Segment launched a variety of new products in 2025 that were aligned with the objective of providing delicious and convenient assortment to Filipino families.

PHC strengthened its portfolio through targeted product innovations and pack format improvements aimed at enhancing competitiveness and consumer relevance across key categories. These included optimizing the *Purefoods Chinese Luncheon Meat* pack size to 170g to improve value perception and shelf competitiveness, introducing a square luncheon meat format aligned with traditional category expectations, and launching value-oriented and family-sized offerings such as the *Purefoods Sizzling Sisig Savers* bundle and 1-kilogram *Tender Juicy Cheesy Pizza* and *Cheesy Spaghetti* hotdogs to better serve household consumption and compete in high-volume segments. PHC also continued to support institutional partnerships through customized product solutions, reinforcing its presence across both retail and foodservice channels.

Magnolia expanded its ice cream portfolio with the new *Vanilla* collection featuring three (3) new flavors – *Affogato*, *Vanilla Salted Caramel*, and *Cookie Dough*, which were launched in April 2025.

SMFI continued to expand its *Magnolia Chicken Timplados* portfolio, a ready-to-cook line packed fresh in *Selyado Sigurado* packs, for delicious, safe and easy chicken-*sarap* meals for the whole family. New variants like the *Karaage* line (*Chili Honey*, *Snow Cheese*, *Soy Garlic*, *Hot and Spicy*), *Fried Chicken* new flavors (*Yangnyeom* and *Smoked Bacon*), and *Chick'n Sulit* (*Chicken Sisig* and *Chicken Balls*) were made available to expand the viands line.

## **Competition**

The Company, known in the market for its portfolio of leading and well-recognized brands, is regarded as one of the leaders in the food and beverage industry in the country.

The following are the major competitors of the Group's businesses:

### **Beer and NAB Segment**

In the Philippine beer market, SMB's major competitors are Asia Brewery Inc. ("ABI") and Heineken Philippines Inc. ("Heineken").

ABI competes mainly through local *Leon Extra Strong Beer* and licensed *Colt 45* which are positioned against SMB's strong alcohol beer *Red Horse*, local *Beer na Beer* which is positioned in the economy segment, *Brew Kettle* in the mainstream segment, and *Asahi Super Dry* in the premium segment.

Heineken previously had a joint venture with ABI that was dissolved in 2020 and replaced with a new partnership. Under the new structure, Heineken established a sales and marketing office in the Philippines and engaged with ABI to brew and distribute Heineken beer brands (*Heineken* and *Tiger*) in the country effective January 1, 2021. *Tiger* competes with *Red Horse*, *Tiger Radler* competes with *San Miguel Flavored Beer* while *Heineken* and *Heineken Silver* compete with SMB's premium beers.

Competition from imported beers and local craft beers is minimal. These products comprise a small proportion of the market and are primarily found in upscale hotels, bars, restaurants, and supermarkets in Metro Manila and other key cities. Emerging competition also comes from beers made exclusively available in hard discount stores.

Meanwhile, in the flavored alcoholic beverages category, ABI offers *Tanduay Ice*, *Spritz Hard Seltzer*, *Soju Bomb Alcomix*, *Pacific Sun Hard Iced Tea*, and *AB Origins Yuzu Highball Cocktail*. Other competitors include *Smirnoff Mule*, *Lemon-Dou*, *Jack Daniel's & Coca-Cola*, *Absolut Vodka & Sprite*, *Hard Mountain Dew*, and *Chill Spiked Spirit*. These products compete with *San Mig Hard Seltzer* and *San Miguel Flavored Beer*.

SMB's alcoholic beverage products also compete with other alcoholic beverages, primarily gin, brandy, rum, and soju. In the beer industry - and more generally the alcoholic beverage industry - competitive factors generally include price, product quality, brand awareness and loyalty, distribution coverage, and the ability to respond effectively to shifting consumer tastes and preferences. SMB believes that its market leadership, size and scale of operations, and extensive distribution network in the Philippines provide SMB with significant competitive advantages in the country.

In the non-alcoholic beverage market, competition comes from established players in carbonated drinks, ready-to-drink tea, and ready-to-drink juice categories. For example, *C2* and *Nestea* compete with *Magnolia Healthtea* while *Zest-O* and *Minute Maid Fresh* compete with *Magnolia Fruit Drink*. *Magnolia Cali* is positioned in the softdrinks category where *Coke*, *Pepsi*, and *RC Cola* are the key players.

In its main international markets, the SMBIL Group products compete with both foreign and local beer brands, such as *Heineken* (Hong Kong, South China, Thailand, Vietnam, and Indonesia), *Tiger* (Vietnam, Thailand, and Indonesia), *Carlsberg* (Hong Kong, Thailand, and Vietnam), *Budweiser* (Hong Kong and China), *Guinness* (Hong Kong and Indonesia), *Asahi* (Hong Kong and Thailand), *Blue Girl* (Hong Kong), *Tsingtao* (Hong Kong and China), *Bintang* (Indonesia), *Snow* (China), *Singha* (Thailand), and *Saigon Beer* (Vietnam).

### **Spirits Segment**

The local hard liquor industry is segmented by category and geographically among the major players. GSMI is the leader in the gin market catering mostly to the provinces of Luzon, including the Greater Manila Area. Emperador Distillers, Inc. locally produces *Emperador Light Brandy*, whose market share has steadily declined, although it still holds a substantial share of the Greater Manila Area and key

urban centers across the country. Meanwhile, value-priced imported *Alfonso Light Brandy* distributed by Montosco, Inc. has continued to gain popularity.

The Visayas and Mindanao regions prefer *Tanduay Rhum Dark 5 Years* and recently the low-proof alcohol *Tanduay Light*, both products of Tanduay Distiller's Inc. Moreover, there is a market for Chinese wine in various islands in the region with GSMI's *Vino Kulafu* as the top choice in this category.

These major players compete in their development of brand equity, as the industry's consumers generally develop affinity and loyalty to the brands that they patronize. GSMI effectively takes the lead as it continues to build upon the brand legacy that it has established in over a hundred years of operation through effective advertising and promotional programs.

Even as the industry continues to evolve, major players also compete by adopting a product portfolio that potentially caters to shifting consumer preferences. GSMI is very receptive to these shifts, which, coupled with its ample resources, enables it to develop and mobilize new product variants for consumers to keep up with competition.

The elastic demand for mainstream liquor products also leads major players to compete on the basis of pricing. In this area, GSMI employs rational pricing policies that are in line with prevailing consumer purchasing power and current operating cost levels. Also, it ensures that its products provide utmost value for money to its consumers.

The spirits industry is dependent on the supply of molasses, the raw material for alcohol production. While the molasses supply has remained stable, the steady increase in demand for bioethanol globally due to increasing ethanol blending policy requirements of different countries and in the Philippines since the implementation of the Biofuel Act of 2006 further worsened the shortage of supply for beverage alcohol production. This led to GSMI's multi-continent sourcing and diversification of alcohol supply to ensure supply security and partly offset higher raw material costs.

Spirits manufacturers also compete in terms of production efficiency, as the price-sensitive nature of the industry's consumers makes them more reliant on cost improvements than on price increases to brace against profit squeezes from an inflationary operating environment. GSMI continues to implement strategies to maximize the retrieval of its second-hand bottles, the usage of which in production, may result in significant improvements in GSMI's cost structure.

Lastly, manufacturers compete in the breadth of their distribution network. GSMI's distribution network of ninety-two (92) dealer sites, seventeen (17) sales offices, three (3) company-owned liquor bottling plants and two (2) subsidiary-owned bottling plants are strategically dispersed throughout the country, ensuring that consumers are immediately served with high-quality liquor products.

## **Food Segment**

### ***Prepared and Packaged Food***

In recent years, the Prepared and Packaged Food business has faced increased competition mainly from other local players, who employ aggressive pricing and promotion schemes, and launched new products. Competitors and competing brands in the branded processed meats category include Foodsphere, Inc. (*CDO Idol*), Virginia Foods, Inc. (*Virginia Premium, Winner, Champion*), Century Pacific Food Inc. (*Swift, Argentina, 555*), Mekení Food Corporation (*Mekení*), Frabelle Food Corp. (*Bossing*), Sunpride Foods Inc. (*Sunpride, Holiday, Good Morning*), Shanghai Maling Food (*Maling*), and Jaka Food Processing Corp (*Delimondo*).

For butter, competitors include Fonterra Brands Philippines, Inc. (*Anchor*). For margarine, Magnolia competes with Hard Discount Philippines, Inc. (*Butterbar, Margie*) and the growing unbranded players. In the cheese category, the main competitor of the *Magnolia* brand is Mondelez International, Inc. (*Eden, Cheez Whiz, Kraft*). In the salad aids category, particularly mayonnaise and sandwich spreads, Magnolia's main competitor is Unilever Philippines, Inc. (*Lady's Choice, Best Foods, Mayo Magic*). In the milk category, Nestle Philippines, Inc. (*Nestle*) and RFM Corporation (*Selecta*) are the top players. In the ice cream market, Unilever-RFM Ice Cream Inc. (*Selecta*) is the dominant player. Competitors in the coffee-mix business include Nestle SA (*Nescafe*), PT Mayora Indah (*Kopiko*), and Universal Robina Corporation ("URC") (*Great Taste*).

### ***Animal Nutrition and Health***

SMFI is the largest producer of commercial feeds in the Philippines. Competitors of the Company's Animal Nutrition and Health business under SMFI include major domestic producers such as UNAHCO, Inc. ("UNAHCO"), Pilmico Foods Corporation ("Pilmico"), New Hope Group, and ADM Animal Nutrition Philippines, as well as numerous regional and local feedmills. There are also foreign feeds manufacturers which have established operations in the Philippines.

For veterinary and other animal health care products, SMFI competes with Excellence Poultry and Livestock Specialist, Inc., UNAHCO, and Lakpue Drug, Inc.

For pet food, SMFI's competitors include URC (*TopBreed Dog Meal*), MARS Philippines, Inc. (*Pedigree*), Barkpro Marketing Corporation (*Beef Pro*) as well as various imported and local brands.

### ***Protein***

Major competitors of the Protein business under SMFI include Bounty Fresh Foods Inc., Bounty Agro Ventures, Inc., and Charoen Pokphand Foods Philippines Corp. ("CPF"). There are also other commercial-scale and other small regional poultry producers and imports from the United States, Canada, Brazil and other countries.

The Philippine fresh meats industry remains highly fragmented consisting mostly of backyard hog raisers. Its main competitors are CPF, Pilmico, and Foremost Farms, Inc. It also competes with several commercial-scale and numerous small-scale hog and cattle farms that supply live hogs and cattle to live buyers, who in turn supply hog and cattle carcasses to wet markets and supermarkets.

### ***Others***

Major competitors of the flour milling business under SMMI include Pilmico, URC, and Philippine Foremost Milling Corporation. In selected regional markets, SMMI also competes with players such as RFM Corporation, General Milling Corporation, Atlantic Grains, Inc., and Mabuhay Interflour Mill Inc.

### **Purchase of Raw Materials and Supplies**

The Group obtains its principal raw materials on a competitive basis from various suppliers locally and abroad. It continuously looks for new principals/traders where strategic raw materials could be sourced, and negotiations are carried out on a regular basis. The Group has contracts with various suppliers for varying periods, which contracts contain renewal options. The Group, taken as a whole, is not dependent on one or a limited number of suppliers for its essential raw materials and supplies. Hence, operations will not be disrupted if any supplier refuses or cannot meet its delivery commitment.

The list of suppliers of major raw materials of the Group is attached hereto as **Annex "E"**.

### **Customers**

The Group has a broad market base that includes supermarkets, hypermarkets, grocery stores, cooperative stores, *sari-sari* stores, convenience stores, warehouse clubs, mini-marts, market stalls, wet market vendors/dealers and commissaries, wholesalers/distributors, commercial farms, animal raisers, buyers of live birds, and institutional accounts (*i.e.*, bars, restaurants, hotels, convenience stores, beer gardens, fast food outlets, burger and pizza chains, bakeshops/bakeries, kiosks, snack/biscuit manufacturers, noodle manufacturers, membership clubs, school/office canteens, and franchise holders). The Group sells its products principally in the Philippines and in Asia through the businesses' respective sales force, and through strategically located partners, distributors, dealers, and importers. The Group also taps e-commerce platforms and online marketplaces as additional channels to sell its products.

The Group, taken as a whole, is not dependent on a single customer or a few customers, the loss of any or more of which would have a material adverse effect on the Group's operations. This allows flexibility in managing the Group's sales activities.



### **Transactions with and/or Dependence on related parties**

The Group, in the ordinary course of its business, has entered transactions with affiliates and other related parties. Transactions with related parties are fair, entered on an arm's length basis and at market rates. These transactions with related parties are described in Note 30 (Related Party Disclosures) of the Company's 2025 Audited Consolidated Financial Statements attached hereto as **Annex "B"**.

### **Intellectual Property**

Brands, trademarks, industrial designs, and other related intellectual property rights used by the Company and its subsidiaries on its principal products in the Philippines and foreign markets, are either registered or pending registration in the name of the Company or an affiliate company.

The Group regularly renews the registration of those brand names, related trademarks, and other intellectual property rights already registered, which it uses or intends to use, upon expiry of their respective terms. Maintenance and protection of these brands and related intellectual property rights are important to ensure the Group's distinctive corporate and market identities.

The Group is also responsible for defending itself against any infringement of its brands or other proprietary rights. In this connection, the Group monitors other products released in the market that may mislead consumers as to the origin of such products and may attempt to ride on the goodwill of the Group's brands and other proprietary rights. The Group also retains several independent external counsels to alert the Company of any such attempt and to prevent third parties from making use of colorable imitations of the Group's brands and/or marked similarities in the general appearance or packaging of products, which may constitute trademark infringement and/or unfair competition. The Group further invests in domestic and global trademark watch services that alert the Company regarding published trademarks that may potentially infringe or dilute any of its brands. This would allow the Group to file opposition and/or other intellectual property violation cases where it is appropriate.

### **Government Approvals**

The Group has obtained all relevant permits, licenses, and government approvals necessary to manufacture and sell its products and conduct its businesses.

### **Government Regulation**

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

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

The following are noteworthy laws relevant to the Group:

#### **Internet Transactions Act**

The Internet Transactions Act (ITA), which took effect on December 20, 2023, aims to provide a comprehensive legal framework to regulate, safeguard and promote e-commerce transactions within the mandate of the Department of Trade and Industry. The law establishes the E-Commerce Bureau, an online business database, and an e-commerce Philippine Trustmark for safety and security in internet transactions. It also outlines the rights and obligations of parties involved in internet transactions, as well as the penalties imposed for violations thereof. Covered online merchants, e-retailers, e-marketplaces and other digital platforms are granted an 18-month transitory period from effectivity of the ITA, to comply with the requirements of the law.

### **The Data Privacy Act**

The Data Privacy Act and its implementing rules and regulations ensure the security of personal data and information and impose certain requirements and obligations to entities involved in the processing of personal data. Companies involved in the processing of personal data were required to appoint a Data Protection Officer and adopt a Personal Data Privacy Policy by September 1, 2017. The National Privacy Commission is tasked to administer and implement the provisions of the law and its rules and regulations.

Considering that the Company and its operating subsidiaries are involved in the processing of personal data, be it from customers, suppliers and employees, the Company and its operating subsidiaries appointed a Data Protection Officer and adopted a Personal Data Privacy Policy within the prescribed period. The policy provides for organizational, physical and technical security measures geared towards data protection. It likewise recognizes the rights of the data subject to information, access and rectification of his personal information, among others. It also provides for the procedures to be undertaken in the event of data breaches or security incidents. The policy further requires that all outsourcing arrangements of the Group involving personal data collection, be compliant with the requirements of the law.

### **The Philippine Competition Act**

The Philippine Competition Act was enacted to provide a national competition policy, prohibit anti-competitive agreements, abuse of dominant position, and anti-competitive mergers and acquisitions, and establish the Philippine Competition Commission.

The law covers any person or entity engaged in trade, industry or commerce within the Philippines, as well as international trade having direct, substantial and foreseeable effects in the trade, industry or commerce in the Philippines. It prohibits competitors from entering into anti-competitive agreements. It likewise prohibits abuse of dominant position and entering into other agreements with the object or effect of substantially preventing, restricting or lessening competition.

The Philippine Competition Commission is primarily tasked to implement and enforce the law and its implementing rules and regulations.

### **The Food Safety Act of 2013**

The Food Safety Act of 2013 was enacted into law to strengthen the food safety regulatory system in the country. The food safety regulatory system encompasses all the regulations, food safety standards, inspection, testing, data collection, monitoring and other activities carried out by the Department of Agriculture ("DA") and the Department of Health ("DOH"), their pertinent bureaus, and the local government units.

The law aims for a high level of food safety, protection of human life and health in the production and consumption of food, and the protection of consumer interests through fair practices in the food trade. The law provides that the DA and the DOH shall set the mandatory food safety standards, which shall be established based on science, risk analysis, scientific advice from expert bodies, standards of other countries, existing Philippine National Standards and the standards of the Codex Alimentarius Commission, where these exist and are applicable.

Under this law, food business operators are charged with certain responsibilities to prevent, eliminate or reduce risks to consumers. They are further encouraged to implement a Hazard Analysis at Critical Control Points-based system for food safety assurance in their operations.

### **The Foods, Drugs and Devices, and Cosmetics Act**

The Foods, Drugs and Devices, and Cosmetics Act, as amended by the Food and Drug Authority Act of 2009 (the "FDDC Act"), establishes standards and quality measures in relation to the manufacturing and branding of food products to ensure the safe supply thereof to and within the Philippines. The Food and Drug Administration ("FDA", previously referred to as the Bureau of Food and Drugs) is the governmental agency under the DOH tasked to implement and enforce the FDDC Act.

Pursuant to the FDDC Act, food manufacturers are required to obtain a license to operate as such from the FDA before they can validly engage in the manufacture, importation, exportation, sale, offer for sale, distribution, and transfer of food products in the Philippine market. The law further requires food

manufacturers to obtain a certificate of product registration for each product it sells in the market before said product is distributed, supplied, sold or offered for sale or use in the market.

To further ensure quality and food safety, the Group adopts various internationally recognized standards such as Food Safety Systems Certification (FSSC), ISO 22000 (Food Safety Management Systems), ISO 9001:2015 (Good Feed Milling Practices), ISO/IEC 17025:2005 (Laboratory Accreditation Program), Good Manufacturing Practices, and Hazard Analysis and Critical Control Points.

The DOH also prescribes Guidelines on Current Good Manufacturing Practice in Manufacturing, Packing, Repacking, or Holding Food for food manufacturers, the Code on Sanitation of the Philippines, and the Philippine National Standards for Drinking Water.

### **The Consumer Act**

The Consumer Act of the Philippines (the “Consumer Act”) establishes quality and safety standards with respect to the composition, contents, packaging, labeling, and advertisement of food products. The DOH (which includes the FDA) is the government agency tasked to implement the Consumer Act with respect to food products.

The Consumer Act provides for minimum labeling and packaging requirements for food products to enable consumers to obtain accurate information as to the nature, quality, and quantity of the contents of food products available to the public.

### **The Livestock and Poultry Feeds Act**

The Livestock and Poultry Feeds Act and its implementing rules and regulations (the “Livestock and Poultry Feeds Act”), regulate and control the manufacture, importation, labeling, advertisement and sale of livestock and poultry feeds. The Bureau of Animal Industry (“BAI”) is the governmental office under the DA tasked to implement and enforce the Livestock and Poultry Feeds Act.

Under the Livestock and Poultry Feeds Act, any entity desiring to engage in the manufacture, importation, exportation, sale, trade or distribution of feeds or other feed products must first register with the BAI. Further, all commercial feeds must comply with the nutrient standards prescribed by the DA. The Livestock and Poultry Feeds Act also provides branding, labeling and advertising requirements for feeds and feed products.

### **The Meat Inspection Code**

The Meat Inspection Code of the Philippines (the “Meat Inspection Code”) establishes quality and safety standards for the slaughter of food animals and the processing, inspection, labeling, packaging, branding and importation of meat (including, but not limited to, pork, beef, and chicken meat) and meat products. The National Meat Inspection Service (“NMIS”), a specialized regulatory service attached to the DA, serves as the national controlling authority on all matters pertaining to meat and meat product inspection and meat hygiene to ensure meat safety and quality from farm to table. In this regard, the DA mandates the application of Good Manufacturing Practices in all NMIS-accredited meat establishments.

The Meat Inspection Code provides for labeling, branding, and packaging requirements for meat and meat products to enable consumers to obtain accurate information and ensure product traceability.

### **The Price Act**

The Price Act covers unbranded basic necessities, such as fresh pork, beef and poultry meat, milk, coffee and cooking oil, and prime commodities, such as flour, dried, processed and canned pork, beef and poultry meat, other dairy products and swine and poultry feeds. The Price Act is primarily enforced and implemented by the DA and the Department of Trade and Industry in relation to such products.

Under the Price Act, the prices of basic commodities may be automatically frozen or placed under price control in areas declared as disaster areas, under emergency or martial law, or in a state of rebellion or war, for a maximum period of 60 days only. In cases of calamities, emergencies, illegal price manipulation or when the prevailing prices have risen to unreasonable levels, it is the President of the Philippines who can impose a price ceiling on basic necessities and prime commodities.

### **The Philippine Food Fortification Act**

The Philippine Food Fortification Act of 2000 (the "PFF Act") provides for the mandatory fortification of wheat flour, cooking oil and other staple foods and the voluntary fortification of processed food products. The FDA is the government agency responsible for the implementation of the PFF Act with the assistance of the different local government units which are tasked under the said law to monitor foods mandated to be fortified which are available in public markets, retail stores and foodservice establishments and to check if the labels of fortified products contain nutrition facts stating the nutrient added and its quantity.

### **Environment-related Laws**

The Philippine Environmental Impact Statement System (the "EIS System") is the general regulatory framework for any project or undertaking that is either (i) classified as environmentally critical; or (ii) is situated in an environmentally critical area. The law is implemented by the Department of Environment and Natural Resources ("DENR"). Under the EIS System, an entity that will undertake any such declared environmentally critical project or operate in any such declared environmentally critical area is required to submit an Environmental Impact Statement and secure an Environmental Compliance Certificate ("ECC"). This ECC requirement is applicable to the production facilities that the Group operates throughout the Philippines.

The Philippine Clean Water Act of 2004 and its implementing rules and regulations provide for the requirement to secure a wastewater discharge permit, which authorizes the discharge of liquid waste and/or pollutants of specified concentration and volume from plants and facilities into any water or land resource for a specified period. The Environmental Management Bureau (EMB) of the DENR is responsible for issuing discharge permits and monitoring and inspecting the facilities of the grantee of the permit.

The Philippine Clean Air Act of 1999 and its implementing rules and regulations provide that before any business may be allowed to operate facilities and equipment, which emit regulated air pollutants, the establishment must first obtain a Permit to Operate Air Pollution Source and Control Installations. The EMB is responsible for issuing permits to operate air pollution source and control installations as well as monitoring and inspecting the facilities of the grantee of the permit.

The Ecological Solid Waste Management Act of 2000, with DENR Administrative Order 2011-34 as its implementing rules and regulations, sets the guidelines for solid waste reduction through sound reduction and waste minimization, including composting, recycling, re-use, recovery before collection, treatment, and disposal in appropriate and environmentally sound solid waste management facilities in accordance with ecologically sustainable principles.

The Extended Producer Responsibility (EPR) Act of 2022, with DENR Administrative Order 2023-02 as its implementing rules and regulations, aims to reduce the generation of plastic wastes. Under the Act, large-scale companies are required to establish or phase-in EPR programs for plastic packaging which may include activities and strategies for reduction of non-environment friendly products, as well as product waste recovery programs aimed at effectively preventing waste from leaking to the environment. To achieve plastic neutrality, they are also required to meet specific targets to recover or offset their respective plastic packaging footprint generated during the immediately preceding year. For 2023, obliged companies need to recover 20% of the plastic waste that their company has produced from 2022. The target recovery rate is then increased to 40% by 2024, 50% by 2025, 60% by 2026, 70% by 2027, and 80% by 2028 and every year thereafter. The National Ecology Center, a sub-group under the National Solid Waste Management Commission of the DENR-EMB, is responsible for monitoring and evaluating the compliance of obliged enterprises with the Act.

The Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 and its implementing rules and regulations, as well as DENR Administrative Orders 2013-25 and 2013-22, aim to regulate the management of ozone-depleting chemical substances and hazardous wastes generated by various establishments. The law and regulations regulate, restrict or prohibit the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substance and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry into the Philippines or the keeping in storage of hazardous wastes which include by-products, process residue, contaminated plant or equipment or other substances from manufacturing operations.

The Energy Efficiency and Conservation Act and its implementing rules and regulations establish a framework for introducing and institutionalizing fundamental policies on energy efficiency and conservation including the promotion of efficient and judicious utilization of energy and the definition of responsibilities of various government agencies and private entities. Under the Act, Designated Establishments (depending on the level of their consumption of energy) shall appoint a Certified Energy Conservation Officer who shall be responsible for the management of the energy consumption of facilities, equipment and devices, the improvement and implementation of energy efficiency measures, the conduct of regular energy audit, energy monitoring and control, and the preparation of periodic energy consumption report of the Designated Establishment, or a Certified Energy Manager who shall plan, lead, manage, coordinate, monitor, and evaluate the implementation of sustainable energy management within their organizations.

Other regulatory environmental laws and regulations applicable to the Group are as follows: (i) The Water Code, which governs the appropriation and use by any entity of water within the Philippines. Water permits are issued by the National Water Resources Board; (ii) DENR Administrative Order 1992-26 or the Appointment of Pollution Control Office, as amended by DENR Administrative Order 2014-02, which aims to manage and address environmental problems and programs of the plant as well as liaison with the environmental government agencies; and (iii) The Sanitation Code, which provides for sanitary and structural requirements in connection with the operation of certain establishments such as food establishments, including such places where food or drinks are manufactured, processed, stored, sold or served. Under the Sanitation Code, food establishments are required to secure sanitary permits prior to operation which shall be renewable on a yearly basis.

#### **The Anti-Drunk and Drugged Driving Act of 2013**

The Anti-Drunk and Drugged Driving Act of 2013 aims to ensure road safety through the observance of responsible and ethical driving standards and penalizes acts of driving under the influence of alcohol, dangerous drugs, and other intoxicating substances. Under the law, the Land Transportation Office ("LTO") may deputize traffic enforcers of the Philippine National Police, Metro Manila Development Authority and local government units to assist the LTO in the enforcement of the law.

#### **The Manual of Procedures and Code of Ethics of the ASC Guidebook**

The Manual of Procedures and Code of Ethics of the ASC Guidebook as formulated by the Ad Standards Council, a voluntary association of various companies and groups engaged in the fields of advertising, marketing, and media in the Philippines, prescribe rules on the advertising activities of its members to promote truth and fairness in advertising through self-regulation of advertising content.

#### **Revised Corporation Code of the Philippines**

The Revised Corporation Code of the Philippines, the provisions of which are principally enforced by the SEC, is the law that governs the rules and regulations in the establishment and operation of corporations in the Philippines. It covers the powers and capacity of corporations such as the power to extend or shorten corporate terms, to increase or decrease capital stock, to declare dividends, and power to invest corporate funds in another corporation or business, among others. It also discusses the rules on meetings of directors, stockholders or members in a corporation, whether regular or special, as well as the rules on voting and quorum. The Group also ensures compliance with the memorandum circulars and other issuances of the SEC, whenever applicable.

#### **Securities Regulation Code**

Given that the Company's shares of stocks are listed with the PSE, it also complies with the Securities Regulations Code (the "SRC") and its Implementing Rules and Regulations, as well as relevant issuances of both the PSE and the SEC. Under the SRC, the SEC has jurisdiction and supervision over all corporations, partnerships or associations that are grantees of primary franchises, license to do business or other secondary licenses. As the government agency regulating the Philippine securities market, the SEC issues regulations on the registration and regulation of securities exchanges, the securities market, securities trading, the licensing of securities brokers and dealers, reportorial requirements for public and publicly listed companies, and the proper application of SRC provisions, as well as the Revised Corporation Code of the Philippines, and certain other statutes.

#### **Labor**

The Department of Labor and Employment ("DOLE") stands as the national government agency mandated to formulate policies, implement programs and services, and serve as the policy coordinating

arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws, particularly the Philippine Labor Code, and such other laws as specifically assigned to it or to the Secretary of Labor and Employment. In 2017, the DOLE issued Department Order No. 174 s. 2017 ("D.O. 174") which prohibits labor-only contracting which are arrangements where the contractor or subcontractor: (a) (i) does not have substantial capital, or (ii) does not have investments in the form of tools, equipment, machineries, supervision, and work premises, among others, and (iii) recruits or places employees performing activities which are directly related to the main business operation of the principal; or (b) the contractor or subcontractor does not exercise control over the performance of the work of the employee. The DOLE also enforces the Occupational Safety and Health Law which requires employers to furnish workers a place of employment free from hazardous conditions causing or are likely to cause death, illness or physical harm, among other things.

Other legislations relevant to the Group include the Social Security Act of 1997, as amended, the National Health Insurance Act of 1995, as amended, the Anti-Age Discrimination in Employment Act, Anti Sexual Harassment Act, Safe Spaces Act, and the 105-Day Expanded Maternity Leave Law, all of which are complied with to ensure that the rights of employees are upheld and they are provided their due benefits.

### **Taxation**

On the matter of taxation and other charges, the Group is subject to the National Internal Revenue Code of 1997 ("NIRC"), as amended by Republic Act No. 9334 and further amended by Republic Act No. 10351. In the course of its business operations, the Group is subject to income tax and value added tax. As to the Group's alcohol products, including beer and spirits products, these are specifically subject to excise taxes as provided for in the NIRC and the relevant circulars and issuances of the concerned government agencies such as those issued by the Department of Finance and Bureau of Internal Revenue. As the Group imports materials from foreign countries, it is governed by the rules and regulations issued by the Bureau of Customs ("BOC") and is likewise subject to BOC duties, taxes and other charges. The Group is also subject to local taxes based on the prevailing tax ordinances, in areas where it operates.

In SMFB's beverage businesses, excise tax represents a significant component of production costs of alcoholic beverages. Under the Philippine Tax Code, excise tax on fermented liquor is determined per liter of volume capacity in relation to the net retail price (excluding the excise tax and value added tax thereon) and is payable by the producer. The tax rate varies depending on the type of alcoholic beverage produced, with more expensive products being subject to higher rates.

Effective January 1, 2017, Republic Act No. 10351 imposed a unitary tax rate of P23.50 per liter on all fermented liquors regardless of the net retail price (excluding the excise and value-added taxes) per liter of volume capacity, except those affected by the "no downward classification clause". The rate shall be increased by 4% every year thereafter, as prescribed by the provisions of Revenue Regulations No. 17-2012 dated December 31, 2012, until amended by an act of Congress. Excise tax rate effective January 1, 2018 is P24.44 per liter. For the Spirits Segment, effective January 1, 2015, Republic Act No. 10351 imposed an ad valorem tax on distilled spirits equivalent to 20% of the net retail price (excluding the excise and value-added taxes) per proof and a specific tax of P20.00 per proof liter. Specific tax rate effective January 1, 2016 is P20.80 per proof liter, which shall be increased by 4% every year thereafter, as prescribed by the provisions of Revenue Regulations No. 17-2012 dated December 31, 2012. The specific tax rate effective January 1, 2018 is P22.50 per proof liter.

Effective January 1, 2018, Republic Act No. 10963, or the "Tax Reform for Acceleration and Inclusion", imposed an excise tax rate of P6.00 or P12.00 per liter on sugar sweetened beverages, with the rate depending on the type of sugar used. The non-alcoholic beverages produced by the Beer and NAB Segment fall under the P6.00 per liter classification.

On January 22, 2020, President Rodrigo R. Duterte signed Republic Act No. 11467, which amended certain provisions of the Philippine Tax Code and set additional excise tax on alcoholic beverages. Effective January 1, 2020, the new excise tax rate for beer and fermented liquor was P35.00 per liter. The excise tax was then increased to P37.00 per liter in 2021, P39.00 per liter in 2022, and P41.00 per liter in 2023, and will further increase to P43.00 per liter in 2024. Effective January 1, 2025, the excise tax rate shall be increased by 6% every year thereafter.

The sale of beer and NAB in the Philippines is also subject to value-added tax and withholding tax, when applicable. The Beer and NAB segment's beer products are also subject to excise tax in the markets in which the international subsidiaries operate.

For distilled spirits, an additional ad valorem tax of 22% of the net retail price (excluding excise tax and value added tax) shall be assessed and collected. In addition to the ad valorem tax, a specific tax at the following rates shall be collected: P42.00 per proof liter effective January 1, 2020, P47.00 per proof liter in 2021, P52.00 per proof liter in 2022, P59.00 per proof liter in 2023, and P66.00 per proof liter in 2024. The specific tax will be increased by 6% every year thereafter effective January 1, 2025, through revenue regulations to be issued by the Secretary of Finance.

Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act (the "CREATE Act"), which seeks to reduce corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based, took effect on April 11, 2021, or 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation.

Key provisions of the CREATE Act that have an impact on the Group are: (i) reduction of Regular Corporate Income Tax (RCIT) rate from 30% to 25% for domestic and resident foreign corporations effective July 1, 2020; (ii) reduction of Minimum Corporate Income Tax (MCIT) rate from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023; and (iii) repeal of the imposition of improperly accumulated earnings tax. Accordingly, current and deferred taxes as at and for the year ended December 31, 2023 were computed and measured using the applicable income tax rates as at December 31, 2023 (*i.e.*, 25% RCIT, 1% MCIT) for financial reporting purposes.

Various tax legislations were signed into law in 2024. Republic Act No. 11976, or the Ease of Paying Taxes Act, which was signed on January 5, 2024, harmonized the VAT treatment for the sale of goods or properties, and the sale of services and use or lease of properties by providing: (i) that the basis for the computation of VAT for both will now be based on the gross sales; and (ii) that the sales invoice is the only supporting document required for purposes of declaring output taxes and claiming input taxes, thereby replacing the requirement of the issuance of gross receipts for the sale of services and use or lease of properties.

On October 2, 2024, Republic Act No. 12023 was signed, which amended certain provisions in the NIRC relating to the imposition of VAT on the sale of services. The new law imposed a VAT of 12% on persons who provide or supply "digital services", which includes an online marketplace or e-marketplace.

On November 8, 2024, President Ferdinand R. Marcos, Jr. signed Republic Act No. 12066, otherwise known as "CREATE MORE", which amended certain provisions of the CREATE Act. CREATE MORE provides greater incentives to Registered Business Enterprises (RBEs), which includes the reduction of the Corporate Income Tax (CIT) of the RBE's IPA-registered projects from 25% to 20% during the Enhanced Deduction Regime (EDR) period.

## **Research and Development**

### **Beer and NAB Segment**

The Beer and NAB Segment employs modern brewing technology. Its highly experienced brewmasters and quality assurance practitioners provide technical leadership and direction to continuously improve and maintain high standards in product quality, process efficiency, cost effectiveness, and manpower competence.

Technology and processes are constantly updated, and new product development is ensured through the research and development of beer and NAB products. Research and development activities are conducted in a technical center and pilot plant located in one of SMB's production facilities.

SMB also has a central analytical laboratory which is equipped with modern equipment necessary for strategic raw materials analysis and validation, alcoholic and NAB evaluation, and new raw material

accreditation. Specialized equipment includes gas chromatography, high performance liquid chromatography, atomic absorption spectroscopy, protein analyzer, laboratory scale mashing/milling system for malt analysis, and wort extract analyzer. Analytical methods and validation procedures are constantly enhanced and standardized across all SMB laboratories. The central analytical laboratory likewise runs proficiency tests for brewery laboratories and suppliers to ascertain continuous reliability and quality of analytical test results. It is also tasked with ensuring compliance of all systems with international standards, specifically ISO/IEC 17025:2017.

To promote technical manpower development, SMB runs the San Miguel School of Brewing, which offers various programs spanning all levels of professional brewing technical training, starting from the basic brewing course for newly hired personnel to the advanced brewing course for senior technical personnel. Courses offered at the school include those highly-advanced classes necessary to qualify the most senior of its technical personnel known as brewmasters. Each of the approximately 40 brewmasters has extensive advanced coursework from both in-house and international institutions and over ten years of on-the-job-training experience with SMB.

### **Spirits Segment**

GSMI continuously invests in research and development to remain aligned with evolving market preferences. As such, GSMI has a dedicated New Product Development team, which includes market research and product formulation – utilizing a well-equipped laboratory, packaging design, and brand development to constantly create innovative products. The New Product Development team's mandate is to enhance and further expand the company's product library that will allow timely product launches as the need arises.

### **Food Segment**

The Food Segment has several research and development teams that engage in the development, reformulation and testing of new products. The teams believe that their continued success will be affected in part by their ability to be innovative and attentive to consumer preferences and local market conditions.

The Protein and Animal Nutrition and Health businesses under SMFI engaged in integrated poultry and feeds, has the largest network of animal feed research facilities in the country and is responsible for the development of animal feed products for broilers, hogs, layers, pets, finfish, including innovations on feed milling technology, and packaging. The research and development team is comprised of post-graduate specialists in animal science, microbiology, and feed mill engineering, and constantly collaborates with international consultants from the U.S. and Europe to ensure that the company uses only the most updated technology in its products. Aside from product innovations, the team also examines efficiency improvements of operations using new technology, a measure of increasing production cycles per farm per year, improving feed consumed to weight ratio, and achieving better harvest recovery. The research center is responsible for developing technologies that focus on precision-driven animal nutrition, sustainable agriculture, and efficiency in feed manufacturing. It utilizes state of the art equipment including near infrared and atomic absorption spectrophotometry, and high-performance liquid chromatography, capable of analyzing the animals' average daily weight gain, feed conversion efficiency, and other performance parameters. Results of these analyses are immediately applied to commercial feed formulations to minimize costs and maximize animal growth.

The total amount spent by the Group on research and development for the years 2025, 2024 and 2023 were P778.52 million, P665.23 million and P631.92 million, respectively. As a percentage of net sales revenues, spending on research and development for the years 2023 to 2025 is approximately 0.19%.

### **Cost of Compliance with Environmental Laws**

The Group incurred about P432.1 million in expenses for environmental compliance for the year 2025. On an annual basis, operating expenses incurred by the Group to comply with environmental laws are not significant or material relative to the Company and its subsidiaries' total cost and revenues.

Costs for environmental compliance include those necessary to implement initiatives to reduce emissions by performing boiler and generator maintenance and cleaning of smokestacks, improve wastewater quality, and compliance with general effluent standards by conducting intensive water



quality monitoring and performing maintenance and improvement of wastewater facilities, manage solid wastes by implementing segregation at source practices, and maintaining their composting, garbage collection, and material recovery facilities, and improve quality of environment by planting trees and cleaning rivers and coastlines, which benefit both the operations of the businesses and the well-being of the immediate environment and communities.

The Group also implemented programs that support SMC's Water for All 50X2025 program. In line with SMC's goal to integrate sustainability into its business strategy, the Group is currently putting in place water reduction projects and programs that consistently educate its employees on water stewardship.

### **Human Resources and Labor Matters**

As of December 31, 2025, the Group has a total of 12,012 employees. The Group has seventeen (17) existing Collective Bargaining Agreements ("CBAs") and four (4) existing Collective Labor Agreements ("CLAs").

Please see the list of CBAs and CLAs entered by Group with its various employee unions attached hereto as **Annex "F"**.

The Group does not expect any significant change in its existing workforce level within the ensuing 12 months.

Most of the subsidiaries of the Company have funded, non-contributory defined benefit retirement plans covering all of its permanent employees.

Under the said retirement plans, all regular monthly-paid and daily paid employees of the subsidiary are eligible members. Eligible members who reach the age of sixty (60) are entitled to compulsory retirement. The Company's subsidiaries may, however, at their own discretion, continue an employee's membership under the plan on a year-to-year basis after he/she reaches compulsory retirement. Eligible members may opt to retire earlier after they have completed at least fifteen (15) years of credited service with the subsidiary. Upon retirement, eligible members will receive a certain percentage of their final monthly pay for each year of their credited service. The amount varies depending on the years of service of the retiree. Eligible members may receive certain resignation benefits if they resign before they reach an eligible retirement date, provided they have completed at least five (5) years of service with the subsidiary. The retirement plans are further described in Note 29 (Retirement Plan) of the 2025 Audited Consolidated Financial Statements of the Company attached hereto as **Annex "B"**.

The Company's performance management framework ensures that its personnel's performance is aligned with the standards set by the Board of Directors and senior management. The Company adopts a performance management system and salary review program wherein employees, including executive directors and key officers, are appraised annually on the achievement of specific objectives and key performance indicators, *i.e.*, financial results of the business, short- and long-term business/functional priorities and goals, internal processes and learning and growth, participation in centerpiece projects, and critical incidents, as well as Environmental, Social, and Governance (ESG) and sustainability-related metrics and goals. Bonuses are determined in accordance with SMC's Business Performance and Annual Incentive Programs, which tracks attainment of the San Miguel Group's earnings targets.

The Company provides avenues for employees to realize their full potential. Professional growth and advancement in their careers can be attained through formal training, opportunities for further education, and other alternative approaches. Through these initiatives, employees become more capable in their tasks, and productivity and efficiency in technical aspects as well as their soft skills are improved. In this regard, various structured in-house and external training are available for employees.

Talent development is strengthened by ensuring that individual development plans of employees are defined and anchored on performance and competency gaps, and that these plans are implemented. In addition, development of high-potential/high-performing employees is pursued as part of succession

planning, via fast-track learning through advanced programs, deliberate movements, coaching and mentoring, and participation in centerpiece projects.

### **Major Business Risks**

Due to its extensive operations, the Group faces both financial and non-financial risks daily. To manage risks, policies have been established to identify and analyze the key risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, systems, and processes, as well as practices, are continuously reviewed to reflect changes in market conditions and the organization's activities.

The Company and each of its primary operating segments have appointed its own Chief Risk Officer. The Chief Risk Officers hold senior officer positions in the Company and in SMFI, SMB, and GSML, and thus they all have adequate authority, stature, access to resources, and support to fulfill their responsibilities. Risk management functions are nevertheless currently performed at the management committee level of each operating subsidiary of the Company, as well as assumed by the Chief Operating Officers and heads of the corporate service units of each segment. Further, every manager is tasked to ensure compliance with all operational and financial controls in the manager's area of responsibility and to implement internal controls as part of the total system to achieve the goals of the Group. Managers conduct regular evaluations of existing policies, systems, and procedures to ensure that these remain relevant and effective to the current operating environment. Management also gives prompt and cooperative consideration to recommended improvement measures made by independent internal or external audit groups.

The major business risks the Group must contend with are the following:

#### ***Competition Risks***

The Group operates in highly competitive environments. Competitive factors generally include price, product quality, brand awareness and loyalty, distribution coverage, customer service and the ability to respond effectively to shifts in consumer tastes and preferences. New and existing competitors can erode the Group's competitive advantage through the introduction of new products, improvement of product quality, increase in production efficiency, new and updated technologies, cost reductions, unconventional promotional activities, and the reconfiguration of the industry's value chain. The Group has responded with the corresponding introduction of new products in practically all businesses, improvement in product propositions and packaging, and redefinition of the distribution system of its products.

The principal shareholders of the Company and its subsidiaries can influence the Group's businesses through their ability to control actions that require majority Board of Directors' and/or shareholders' approval.

#### ***Operational Risks***

The facilities and operations of the Group could be disrupted by many factors, including accidents, breakdown or failure of equipment, interruption in power supply, human error, natural disasters, port congestions, logistical constraints, outbreaks of animal diseases such as Porcine Epidemic Diarrhea, Porcine Reproductive and Respiratory Syndrome, Actinobacillus Pleuropneumonia and African Swine Fever for hogs, and Fowl Cholera, Newcastle Disease, bird flu or H1N1 influenza for broilers, and other unforeseen circumstances and problems. These disruptions could result in product runouts, facility shutdowns, equipment repairs or replacements, increased insurance costs, personal injuries, loss of life and unplanned inventory build-up, all of which could have a material adverse effect on the business, financial condition and results of operations of the Group.

Any outbreak of contagious diseases, such as epidemics or pandemics, could also have a material adverse effect on the Group's financial position and financial performance. In particular, an outbreak of a contagious disease (such as for example, the COVID-19 pandemic) and the corresponding or resulting restrictions imposed by the government in order to contain the spread of such contagious disease (such as for example, the strict community quarantines, alcoholic beverage bans, limitation in travel and movement of goods and cargo, and the temporary suspension of business operations other than those for essential goods and services, which were imposed to contain the COVID-19 pandemic)

could adversely affect consumer demand for the Group's products, the Group's ability to adequately staff its operations and continue production of its products, the distribution networks of the Group's products, as well as the general level of economic activity in the markets where the Group operates.

The Group undertakes necessary precautions to minimize the impact of any significant operational problems in its subsidiaries through effective maintenance practices. To manage occasional outbreaks of animal diseases, the Group adopted preventive measures like farm sanitation and strict biosecurity to minimize, if not totally avoid, the risks from these diseases.

In addition, the Group may face capacity bottlenecks as the supply for its products is largely dependent on production facilities. Capacity bottlenecks could involve both demand generally outpacing the relevant businesses' existing capacity, as well as the risk of major production facilities suffering unexpected outages, maintenance, temporary stoppages, or other setbacks. Although the Group continuously seeks to enhance the efficiency and manufacturing capabilities of its production facilities and/or increase its production capacity through adding more production lines or building more facilities, the Group may, from time to time, experience production difficulties that may cause shortages and delays in deliveries, as is common in the manufacturing industry. It is not assured that there will be no production difficulties or stoppages in the future or that the Group will be able to increase the output and efficiency of its production facilities to respond to increased customer demand in the future. These may adversely and materially affect its business and operations. Furthermore, the Group may have to incur significant additional capital expenditure in the future to be able to meet increasing demand for its products.

The Group relies on third parties in several critical areas of its operations, including distribution and logistics services. Its ability to bring products to the market could suffer if a significant number of third-party contractors fail to distribute products in a timely manner. While the Group only engages the services of reputable contractors, third party contractors may experience labor disruptions. The Group may also not successfully renew existing agreements or have contractual disputes with the third-party contractors. Furthermore, the Group operates in an industry that is subject to many regulatory regimes, including but not limited to labor, safety, health, environmental, and insolvency matters. Failure on the part of any significant number of third-party contractors to comply with any of these regulatory regimes could materially and adversely affect its businesses and prospects.

The Group's products are primarily sold through dealers and distributors. Although many of these dealers and distributors have been dealing with the Group for many years, and while the Group intends to continuously exert efforts to provide them support, there is no assurance that these dealers and distributors will continue to purchase and distribute the Group's products, or that these dealers and distributors can continue to effectively distribute the Group's products without delays or interruptions. In addition, the financial instability of, contractual disputes with, or labor disruptions at, the Group's dealers or distributors could disrupt the distribution of the Group's products and adversely affect the Group's business.

The Group has relied on and will continue to rely significantly on the continued individual and collective contributions of key members of its management team. The key members of the Group's management team have been instrumental in setting strategic directions, operating the businesses, identifying, recruiting, and training key personnel, identifying key expansion opportunities, and arranging necessary financing. In addition, key technical personnel are vital in the manufacture of the Group's products. Some members of the Group management are leaders or members of certain key industry associations in the Philippines, and the Group believes that it benefits from those relationships.

The Group's implementation of strategies to increase its sales volume nationwide and expand its existing production capabilities to support the Group's growing demand for its products involves uncertainties and risks. There is no assurance that the implementation of these strategic plans would not have a material adverse effect on the Group's financial condition or results of operations.

#### *Legal and Regulatory Risks*

The businesses and operations of the Group are subject to a number of national and local laws, rules and regulations governing several different industries in the Philippines and in other countries where it conducts its businesses such as those with respect to health, food and beverage safety, management of solid waste, water and air quality, as well as the use, discharge, emission, treatment, release,

disposal and management of, regulated materials and hazardous substances. These laws and regulations require the Group to obtain and maintain several approvals, licenses, and permits from various government entities for its operations. The Group is also subject to various taxes, duties, and tariffs.

Health, food and beverage safety, and environmental laws and regulations in the Philippines have become increasingly stringent and it is possible that these laws and regulations will become significantly more stringent in the future. The adoption of new health, food and beverage safety, and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require additional capital expenditure or the incurrence of additional operating expenses to comply with such laws and to maintain current operations. In addition, the stringent and varied requirements of local regulators with respect to local licenses and permits could delay or prevent development of facilities and operations in certain locations.

Furthermore, if the measures which the Group implements to comply with these laws and regulations are not deemed sufficient by governmental authorities, compliance costs may significantly exceed current estimates and expose the Group to potential liabilities. Potential liabilities for such non-compliance with the legal requirements or violations of prescribed standards and limits under these laws include administrative, civil, and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties, as well as orders that could limit or affect the Group's operations such as orders for the suspension and/or revocation of permits or licenses or suspension and/or closure of operations.

In addition, the Philippine government may periodically introduce changes to laws, regulations and/or standards, particularly with respect to (i) health and food and beverage safety laws and regulations which could increase costs and affect the public attitude towards the Group's products; (ii) health and safety laws and regulations which could increase costs (including costs in relation to complying with such laws and regulations) and it may not always be possible for the Group to pass such costs on to its distributors and customers; and (iii) laws and regulations that limit the selling and consumption of products or relating to manufacturing, packaging, and labelling requirements, licensing requirements, ingredients, advertising restrictions and standards. Implementation of any such measures could have a material adverse effect on the business, financial condition, and results of operations of the Group.

The Group constantly consults with relevant government agencies and other approving bodies to ensure that all requirements, permits, and approvals are anticipated and obtained in a timely manner. Further, the Group maintains a strong compliance culture and has processes in place to manage adherence to laws and regulations. If the Group becomes involved in future litigation or other proceedings or is held responsible in any future litigation or proceedings, the Group endeavors to amicably settle such proceedings in accordance with law and in the event of any adverse ruling or decision, diligently exhaust all legal remedies available to it.

#### *Intellectual Property Risks*

The Group owns various brand names and related trademarks and other intellectual property rights to prepare, package, advertise, distribute, and sell its products in the Philippines. On the other hand, the brand names, trademarks, and patent used for some of its products are under license from SMC. Protection of these brand names, trademarks, and other intellectual property rights is important to maintaining the Group's distinctive corporate and market identities. If third parties sell products that use counterfeit versions of the Group's brands or otherwise look like the Group's brands, consumers may confuse the Group's products with products that are inferior. This could adversely affect the Group's brand image and sales.

Certain brands and trademarks used by the Group, such as the San Miguel name, escudo and certain marks licensed from SMC can also be used by other members of the San Miguel group (other than the Group) or other entities that SMC has licensed them to. Although the Group relies significantly on the San Miguel brand name for its beverage businesses, it has little or no control over its use by such other parties. As such, the Group's brand image could be negatively affected by product quality or other reputational issues caused by these other users of the brands and trademarks of SMC. Any incident that erodes consumer affinity with the Group's brands could significantly reduce their value and damage the Group's business. Any decrease in the brand equity of the San Miguel brand name could have an adverse effect on the Group's competitive position, sales and results of operations and could materially

and adversely affect the Group's reputation and business. Any damage to the Group's brand image caused by other users of the brands and trademarks could have an adverse effect on the Group's sales and financial performance.

In addition, the Group may be adversely affected by news reports or other negative publicity, regardless of their accuracy, regarding quality issues, public health concerns, illness, safety, injury, customer complaints or litigation, health inspection results, processing practices, employee relationships, or government or industry findings concerning its operations or operations of third parties engaged by the Group. Similarly, information about the Group posted on social media platforms and similar devices, including blogs, social media sites and other forms of internet-based communications that allow individuals' access to a broad audience of consumers and other interested persons, may be adverse to the Group's interests or are inaccurate, each of which may harm the Group's performance, prospects, or business.

#### *Social, Economic and Political Risks*

The ability of the Group to successfully develop and launch new products and maintain the demand for existing products depends on the acceptance of such products by consumers and their purchasing power and disposable income levels, which may be adversely affected by unfavorable economic developments in the Philippines (such as for example, those resulting from the occurrence of the COVID-19 pandemic and the restrictions imposed by governments to contain the spread of the pandemic) or political or social instability in the markets where the Group operates. A significant decrease in disposable income levels or consumer purchasing power of the target markets could materially and adversely affect the financial position and financial performance of the Group. Consumer preferences may shift for a variety of reasons, including changes in culinary, demographic, and social trends, leisure activity patterns, or consumer lifestyle choices. Concerns about health effects due to negative dietary effects or other factors may also affect consumer purchasing patterns for food and beverage products. If the marketing strategies of the Group are not successful or do not respond timely or effectively to changes in consumer preferences, the business and prospects of the Group could be materially and adversely affected.

Political or social instability (including any act of terrorism) in the Philippines or in the markets where the Group operates could negatively affect the general economic conditions and operating environment in the Philippines and in such other markets, which could have a material impact on the Group's business, financial position, and results of operation.

The success of the Group depends largely upon the consumers' perception of the reliability and quality of the Group's products. Any event or development that detracts from the perceived reliability or quality of its products could materially reduce demand. For example, contamination of products by bacteria or other external agents, whether arising accidentally or through deliberate third-party action, could potentially result in product liability claims. Product liability claims, regardless of success, could adversely affect the reputation of the brands of the Group, which may result in reduced sales and profitability of the affected brand or the brands of the Group in general. In particular, the Group has little, if any, control over handling procedures once its products have been dispatched for distribution and are, therefore, particularly vulnerable to problems in this phase. Even an inadvertent distribution of contaminated products may constitute a violation of the law and may lead to increased risk of exposure to product liability claims, product recalls, increased scrutiny, and penalties, including injunctive relief and plant closures by regulatory authorities, and adverse publicity, which could exacerbate the associated negative consumer reaction.

The Group's sales are further affected by seasonality in customer purchase patterns. In the Philippines, some products produced by the Group experience increased sales during certain times of the year. As a result, performance in any one quarter is not necessarily indicative of what is to be expected for any other quarter or for any year and the Group's financial position and financial performance may fluctuate significantly from quarter to quarter.

#### *Raw Materials Sourcing Risks*

The products and businesses of the Group depend on the availability of raw materials. Most of these raw materials, including some critical raw materials, are procured from third parties. These raw materials are subject to price volatility caused by several factors, including changes in global supply and demand, foreign exchange rate fluctuations, shipping and other transport-related factors, weather conditions,

quality of crop and yield, trade and tariff policies, and governmental regulations and controls. There is no assurance that raw materials will be supplied in adequate quantities or of the required quality to meet the needs of operations, or that these raw materials will not be subject to significant price fluctuations in the future. Shortage of raw materials may also cause delays in the supply of products to customers. Moreover, the market prices of raw materials may increase significantly if there are material shortages due to, among others, competing usage or drastic changes in weather or natural disasters or shifts in demand from other countries. The Group's ability to pass along higher costs through price increases to consumers is also influenced by competitive conditions and pricing methodologies used in the various markets in which it competes. As such, there is no assurance that any increases in product costs will be passed on to consumers and any price increases that are passed on to consumers will not have a material adverse effect on the Group's price competitiveness as consumers may choose to purchase competing products or shift purchases to lower-priced or other value offerings.

Water is critical in the Group's operations, and it may not be able to source enough or may face increases in water costs in the future. The Group sources its water requirements from deep wells, water utility service providers, and government-owned water facilities. Restrictions on the use of deep well water could disrupt operations and price increases for the use of deep well water, or by water utility service providers or government-owned water facilities could adversely affect operating costs, and in turn, adversely affect the Group's business, financial condition, results of operations, and prospects.

Movements in the supply of global crops may affect prices of raw materials such as wheat, malted barley, adjuncts, and molasses. The Group may also face increased costs or shortages in the supply of raw materials due to the imposition of new laws, regulations, and policies.

Alternative sources of raw materials are used in the Group's operations to avoid and manage risks on unstable supply and higher costs.

The Group, whenever necessary, enters various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material costs and preserving margins.

#### *Financial Risks*

In the course of its operations, the Group is exposed to financial risks, namely:

##### Interest Rate Risk

The Group's exposure to changes in interest rates relates primarily to long-term borrowings and investment securities. Investment securities acquired or borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, investment securities acquired, or borrowings issued, at variable rates expose the Group to cash flow interest rate risk.

##### Foreign Currency Risk

The exposure to foreign currency risk primarily results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group.

The Group purchases some critical raw materials and technically advanced equipment for capacity expansion from abroad and needs foreign currency to make these purchases. There is no assurance that foreign exchange controls will not be imposed by the government in the future. If imposed, these restrictions could severely curtail the Group's ability to obtain key raw materials and equipment for capacity expansion from abroad, or to meet the Group's foreign currency payment obligations, which could materially and adversely affect its financial position and financial performance.

##### Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty meeting payment obligations when they fall under abnormal and stressful circumstances.

Liquidity risks are managed to ensure adequate liquidity of the Group through monitoring accounts receivables, inventory, loans, and payables. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

Prudent fund management is employed to manage exposure to changes in earnings because of fluctuations in interest and foreign currency rates.

The Group uses a combination of natural hedges, which involve holding U.S. dollar-denominated assets and liabilities, and derivative instruments to manage its exchange rate risk exposure.

#### Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables and investment securities.

Credit risk is controlled by the application of credit approvals, limits, and monitoring procedures. It is the Group's policy to enter transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales of products are made to customers with appropriate credit history. It maintains an internal mechanism to monitor the granting of credit and management of credit exposures. The Group has made provisions, where necessary, for potential losses on credit extended. Where appropriate, the Group obtains collateral or arranges master netting agreements.

See also Note 33 (Financial Risk and Capital Management Objectives and Policies) of the Company's 2025 Audited Consolidated Financial Statements attached hereto as **Annex "B"**.

Other risk factors that could materially and adversely affect the business, financial condition and results of operations of the Group are discussed in more detail in the Prospectus dated February 20, 2020 (filed with the SEC, disclosed to the PSE and PDEX and uploaded in the Company's website), relating to the registration and public offer for sale, distribution and issuance by the Company in the Philippines of Peso-denominated fixed rate bonds, with an aggregate principal amount of P15 billion, comprised of five-year Series A Bonds due 2025 and seven-year Series B bonds due 2027. In this regard, by the end of March 2025, the Series A Bonds issued by the Company due 2025 have fully matured and the principal investment amounts due on said bonds have been paid to the respective holders thereof in accordance with the relevant terms and conditions of the offer.

## **Item 2. Properties**

A summary of information on the various properties owned and leased by the Group, including the conditions thereof, are attached hereto as **Annex "C"**.

The Group owns its major facilities, *i.e.*, beer production facilities, distillery, liquor bottling facilities, flour mills, grain terminal, meats processing plants, ice cream plant, butter, margarine and cheese plant, ready-to-eat plant, feedmills, hatcheries, broiler growing farms, and poultry processing plants. A few of its feeds, and most of its poultry operations, however, are contracted out to third parties.

The Group has no principal properties that are subject to a mortgage, lien, or encumbrance, other than those permitted under the trust agreements covering the outstanding fixed rate bonds of the Group in connection with its offer of bonds and agreements covering its long-term debt.

There are no imminent acquisitions of any material property, which cannot be funded by the working capital of the Group.

For additional information on the Group's properties, please refer to Note 13 (Property, Plant and Equipment), Note 14 (Right-of-Use Assets) and Note 15 (Investment Property) of the 2025 Audited Consolidated Financial Statements attached hereto as **Annex "B"**.

## **Item 3. Legal Proceedings**

The Group, taken as a whole, is not a party to, and its properties are not the subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the Company or its results of operations.

For further details on notable pending legal proceedings of the Group, please refer to Contingencies under Note 36 (Others) of the 2025 Audited Consolidated Financial Statements attached hereto as Annex “B”.

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

There were no matters submitted to a vote of the Company’s shareholders, through the solicitation of proxies or otherwise, during the fourth quarter of 2025.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

#### Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters

The Company’s common equity is traded in the PSE.

The Company’s high and low prices for each quarter of the last two fiscal years, are as follows:

| Quarter         | 2025   |       | 2024   |       |
|-----------------|--------|-------|--------|-------|
|                 | Common |       | Common |       |
|                 | High   | Low   | High   | Low   |
| 1 <sup>st</sup> | 54.00  | 49.20 | 52.90  | 47.60 |
| 2 <sup>nd</sup> | 53.00  | 49.85 | 50.10  | 43.00 |
| 3 <sup>rd</sup> | 55.15  | 50.00 | 54.50  | 45.05 |
| 4 <sup>th</sup> | 56.00  | 50.25 | 57.30  | 50.65 |

The closing price as of the latest practicable trading date is:

Common shares P 52.00 April 14, 2026

The approximate number of shareholders of the Company as of December 31, 2025, is as follows:

Common shareholders 188 stockholders

The Company’s top 20 stockholders of common shares as of December 31, 2025, are as follows:

| Rank | Stockholder Name                              | Total Common Shares | % of Outstanding Common Shares |
|------|-----------------------------------------------|---------------------|--------------------------------|
| 1    | San Miguel Corporation                        | 5,245,082,440       | 88.760993%                     |
| 2    | PCD Nominee Corporation (Non-Filipino)        | 371,505,696         | 6.286882%                      |
| 3    | PCD Nominee Corporation (Filipino)            | 270,386,348         | 4.575669%                      |
| 4    | Q-Tech Alliance Holdings, Inc.                | 20,511,400          | 0.347108%                      |
| 5    | PFC ESOP/ESOWN Account                        | 271,030             | 0.004587%                      |
| 6    | Cecille Y. Ortigas                            | 228,610             | 0.003869%                      |
| 7    | Majent Management and Development Corporation | 203,700             | 0.003447%                      |
| 8    | Monaco Holdings, Inc.                         | 100,000             | 0.001692%                      |
| 9    | Xing Ye                                       | 85,200              | 0.001442%                      |
| 10   | Ramon L. Chua                                 | 77,140              | 0.001305%                      |
| 11   | Gary Anthony P. Rosales                       | 71,860              | 0.001216%                      |
| 12   | Ana Maria De Olondriz Ortigas                 | 55,310              | 0.000936%                      |
| 13   | Pacifico De Ocampo                            | 43,240              | 0.000732%                      |



|    |                                                             |        |           |
|----|-------------------------------------------------------------|--------|-----------|
| 14 | Manuel I. Gutierrez or Martina Maria Elizabeth Y. Gutierrez | 41,800 | 0.000707% |
| 15 | Fan Yang                                                    | 41,540 | 0.000703% |
| 16 | Xiaoyan Cong                                                | 38,590 | 0.000653% |
| 17 | William Pendarvis                                           | 29,370 | 0.000497% |
| 18 | Hui He                                                      | 27,400 | 0.000464% |
| 19 | Pei-Wei Lin                                                 | 26,230 | 0.000444% |
| 20 | Jinzhan Hong                                                | 26,000 | 0.000440% |

As of December 31, 2025, the Company had a public float of 11.23%, as reflected in the Public Ownership Report for the said period.

Dividends may be declared at the discretion of the Company's Board of Directors and will depend upon the Company's future results of operations and general financial condition, capital requirements, its ability to receive dividends and other distributions and payments from its subsidiaries, foreign exchange rates, legal, regulatory, and contractual restrictions, loan obligations both at the parent and subsidiary level, and other factors the Board of Directors may deem relevant.

Since August 8, 2018, the cash dividend policy of the Company has been that holders of its common shares are entitled to receive annual cash dividends of up to 60% of the prior year's recurring net income. Recurring net income is net income calculated without respect to extraordinary events that are not expected to recur. The Company expects that the dividend distributions will be made over the four quarters of the year, subject to the applicable laws and regulations and based on the recommendation of the Board of Directors. In considering dividend declarations for each quarter, the Board of Directors has in the past and will in the future, take into consideration dividend payments on outstanding preferred shares, if any, and other factors, such as the implementation of business plans, debt service requirements, debt covenant restrictions, funding of new investments, major capital expenditure requirements, appropriate reserves, and working capital, among others.

In accordance with the foregoing, the Company paid out cash dividends as follows for the last three (3) fiscal years:

| <u>Fiscal Year</u> | <u>Stock Type</u> | <u>Aggregate Amount (per share)</u> |
|--------------------|-------------------|-------------------------------------|
| 2025               | Common            | P3.05                               |
| 2024               | Common            | P3.25                               |
| 2023               | Common            | P2.70                               |

There were no securities sold by the Company within the past three (3) years that were not registered under the SRC.

On November 7, 2019, the Board of Directors approved the public offering by the Company in the Philippines of fixed rate retail bonds in the aggregate principal amount of up to P15,000,000,000.00. The proceeds of the offering were intended to be used to redeem the outstanding perpetual series 2 preferred shares of the Company issued in March 2015 (the "FBP2 Shares").

On February 3, 2020, the Board of Directors approved the redemption of the FBP2 Shares at the redemption price of P1,000.00 per share. According to the Notice of Redemption, including guidelines for the payment of the redemption proceeds issued by the Company for the purpose, the redemption price and all accumulated unpaid cash dividends were to be paid on March 12, 2020, to the preferred stockholders of record as of February 17, 2020.

On February 21, 2020, the SEC approved the Company's Registration Statement and issued the Permit to Sell of P15,000,000,000 worth of fixed rate bonds, consisting of five-year Series A Bonds due 2025 with a fixed interest rate of 5.050% per annum, and seven-year Series B Bonds due 2027 with a fixed interest rate of 5.250% per annum.

The bonds were issued and listed in the PDEX on March 10, 2020.

The proceeds of the bonds were used to redeem the outstanding FBP2 Shares and payment of transaction-related fees, costs and expenses.

By the end of March 2025, the Series A Bonds issued by the Company due 2025 have fully matured and the principal investment amounts due on said bonds have been paid to the respective holders thereof in accordance with the relevant terms and conditions of the offer.

Description of the securities of the Company may be found in Note 21 (Equity) of the 2025 Audited Consolidated Financial Statements, attached hereto as **Annex “B”**.

As stated in Note 21 of the 2025 Audited Consolidated Financial Statements, the Company's accumulated earnings in subsidiaries are not available for dividend declaration until declared by the respective investees.

## **Item 6. Management's Discussion and Analysis or Plan of Operation**

The information required by Item 6 may be found in **Annex “A”** attached hereto.

## **Item 7. Financial Statements (FS) and Other Documents Required to be filed with the FS under SRC Rule 68, as Amended**

The 2025 Audited Consolidated Financial Statements of the Company (with the external auditors' Professional Tax Receipt, name of certifying partner and address) and Statement of Management's Responsibility are attached hereto as **Annex “B”** with the Supplementary Schedules (including the reports of the external auditors on the Supplementary Schedules) attached hereto as **Annex “B-1”**.

The additional components of the 2025 Audited Consolidated Financial Statements together with their corresponding separate report of the external auditors, required to be filed with the 2025 Audited Consolidated Financial Statements under SRC Rule 68, as amended, are hereto attached as follows:

|                                                                                           |                    |
|-------------------------------------------------------------------------------------------|--------------------|
| Reconciliation of Retained Earnings Available for Dividend Declaration<br>(Part 1, 4 [c]) | <b>Annex “B-2”</b> |
| Schedule of indicators of financial soundness                                             | <b>Annex “B-3”</b> |

## **Item 8. Information on Independent Accountant and Other Related Matters**

### **A. External Audit Fees and Services**

The appointment, reappointment, and removal of the external auditor, including audit fees, shall be recommended by the Audit Committee, approved by the Board of Directors, and ratified by the shareholders. The Audit Committee reviews the audit scope and coverage, strategy, and results for the approval of the Board and ensures that non-audit services rendered shall not impair or derogate the independence of the external auditor or violate SEC regulations.

The SEC-accredited accounting firm of KPMG R.G. Manabat & Co. (“RGM & Co.”) served as the Company's external auditor for fiscal year 2025. Upon the endorsement of the Audit Committee, the Board of Directors approved the nomination for reappointment of RGM & Co. as the Company's external auditor for fiscal year 2026. Representatives of RGM & Co. are expected to be present at the 2026 Annual Stockholders' Meeting and will be available to respond to appropriate questions. They will have the opportunity to make a statement if they desire.

Fees billed for the services rendered by RGM & Co. to the Company in connection with the Company's annual financial statements and other statutory and regulatory filings for 2025 amounted to about

P1.091 million. Upon endorsement of the Audit Committee, the Board of Directors also approved at its meeting on March 10, 2026, the submission to the stockholders for ratification at the 2026 ASM, such audit fees billed by RGM & Co. Fees were likewise billed for non-audit services rendered by RGM & Co. to the Company in 2025 equivalent to P2.5 Million. The non-audit fees were incurred in connection with the conduct of due diligence by RGM & Co. for a proposed transaction eventually entered by a special purpose vehicle incorporated by the Company. The partner of RGM & Co. who oversaw the conduct of due diligence was different from the Company's current signing partner for external audit, which allowed the latter to maintain her independence and objectivity to render audit services. The engagement of RGM & Co. for such non-audit services was approved by the Audit Committee in accordance with its Charter, as well as by the Board, with the necessary safeguards that the same will not impair the independence of RGM & Co.

Please also refer to the disclosure of fee information of RGM & Co. for its services to the Company and its subsidiaries as a Supplementary Schedule in the 2025 Audited Consolidated Financial Statements of the Company, in compliance with SEC Memorandum Circular No. 18, series of 2024.

Pursuant to the Company's Amended Manual on Corporate Governance, the Company's external auditor is rotated or changed in accordance with the requirements of Rule 68 of the Securities Regulation Code on Rotation of External Auditors, requiring independent auditors or key audit partners, in case of auditing firms, to comply with the provisions on long association of personnel (including partner rotation) with an audit client. While RGM & Co. has been the Company's external auditor since the fiscal year 2018, RGM & Co. is also the external auditor of SMC. With a common external auditor, the consolidation of results of operations and account balances among the subsidiaries of SMC using a uniform audit approach was and will be facilitated. This notwithstanding, the current signing partner, Ms. Maria Arleene C. Yu, oversaw the external audit of the Company's financial affairs only beginning in the fiscal year 2024. She took over from Mr. Jose P. Javier, Jr., who was the Company's signing partner for fiscal years 2020 to 2023.

**B. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

There are no disagreements with the Company's external auditors about accounting and financial disclosure.

## PART III – CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Issuer

The names of the directors and key executive officers of the Company that served as such in the year 2025, and their respective ages, periods of service, qualifications, directorships in other reporting companies and positions in the last five (5) years, are as follows:

#### Board of Directors

**Ramon S. Ang**

Chairman  
Non-Executive Director  
Chair, Executive Committee

**John Paul L. Ang**

President and Chief Executive Officer  
Executive Director  
Member, Executive Committee

**Carlos Antonio M. Berba**

Chief Operating Officer for Beer Segment  
Executive Director  
Member, Executive Committee

**Emmanuel B. Macalalag**

Chief Operating Officer for Food Segment (*Elected February 5, 2025*)  
Executive Director  
Member, Executive Committee

**Monica L. Ang-Mercado**

Chief Finance Officer (*Elected February 5, 2025*)  
Chief Risk Officer (*Elected June 4, 2025*)  
Treasurer (*Elected February 6, 2026*)  
Executive Director (*Effective February 5, 2025*)  
Member, Executive Committee (*Elected June 4, 2025*)

**Ferdinand K. Constantino** (*Term up to January 31, 2026*)

Treasurer  
Non-executive Director  
Member, Audit Committee  
Member, Related Party Transactions Committee  
Member, Board Risk Oversight and Sustainability Committee

**Aurora T. Calderon**

Non-executive Director  
Member, Audit Committee  
Member, Board Risk Oversight and Sustainability Committee

**Francisco S. Alejo III**

Chief Operating Officer for Food Segment (*Term up to February 4, 2025*)  
Non-Executive Director (*Effective February 5, 2025*)  
Member, Executive Committee (*Term up to February 4, 2025*)

**Menardo R. Jimenez**

Non-executive Director  
Member, Board Risk Oversight and Sustainability Committee  
Member, Corporate Governance Committee

**Francis H. Jardeleza**  
Non-executive Director

**Ricardo C. Marquez**  
Independent and Non-executive Director  
Chair, Board Risk Oversight and Sustainability Committee  
Member, Audit Committee  
Member, Corporate Governance Committee

**Cirilo P. Noel**  
Lead Independent and Non-executive Director  
Chair, Audit Committee  
Member, Related Party Transactions Committee

**Aurora S. Lagman**  
Independent and Non-executive Director  
Chair, Related Party Transactions Committee (*Elected June 4, 2025*)  
Member, Corporate Governance Committee (*Elected June 4, 2025, former Chair of this Committee*)  
Member, Board Risk Oversight and Sustainability Committee

**Estela M. Perlas-Bernabe**  
Independent and Non-executive Director  
Chair, Corporate Governance Committee (*Elected June 4, 2025*)  
Member, Related Party Transactions Committee (*Elected June 4, 2025, former Chair of this Committee*)  
Member, Board Risk Oversight and Sustainability Committee

**Antonio S. Abacan, Jr.**  
Independent and Non-executive Director  
Member, Audit Committee  
Member, Board Risk Oversight and Sustainability Committee

**Ramon S. Ang**, Filipino, 72, is the Chairman of the Company since June 5, 2024. He previously served as the Company's President and Chief Executive Officer (from July 5, 2018 to June 4, 2024) and as its Vice Chair (from May 13, 2011 to June 4, 2024). He has been an executive director of the Company from May 22, 2001 up to June 5, 2024 when he became a non-executive director, and a member of the Company's Executive Committee since April 25, 2002. He also holds, among others, the following positions: Chairman and Chief Executive Officer of listed company San Miguel Corporation; Chairman, President, Chief Executive Officer and Chief Operating Officer of San Miguel Global Power Holdings Corp.; Chairman and President of Privado Holdings Corporation, San Miguel Holdings Corp., SMC Skyway Corporation, SMC SLEX Inc., SMC Tollways Corporation, San Miguel Properties, Inc., San Miguel Infrastructure Corporation and Sual Power Inc.; Chairman of San Miguel Brewery Hong Kong Limited (listed in the Hong Kong Stock Exchange) and Petron Malaysia Refining and Marketing Bhd. (a company publicly listed in Malaysia), public companies San Miguel Brewery Inc. and Eagle Cement Corporation, and private companies, San Miguel Yamamura Packaging Corporation, San Miguel Foods, Inc., San Miguel Mills, Inc., Magnolia Inc., The Purefoods-Hormel Company, Inc., San Miguel Super Coffeemix Co., Inc., Clariden Holdings, Inc., Anchor Insurance Brokerage Corporation, Petrogen Insurance Corporation and Philippine Diamond Hotel & Resort Inc. He is also the President and Chief Executive Officer of listed companies Top Frontier Investment Holdings, Inc. and Petron Corporation, and the Chairman of private company Northern Cement Corporation; and President of listed company Ginebra San Miguel Inc. He is also the sole director of Master Year Limited (Cayman Islands). Mr. Ang holds a Bachelor's Degree in Mechanical Engineering from Far Eastern University, and a Doctorate in Business Engineering, *Honoris Causa*, from the same university.

**John Paul L. Ang**, Filipino, 46, was appointed President and Chief Executive Officer on June 5, 2024. He has been a non-executive director from June 2, 2021 up to June 5, 2024 when he became an executive director of the Company. He is a director of listed companies Ginebra San Miguel, Inc. (since March 5, 2024), Top Frontier Investment Holdings, Inc. (since July 9, 2021), Petron Corporation (since March 9, 2021), and San Miguel Corporation (since January 21, 2021) where he was appointed Vice Chair, President and Chief Operating Officer on June 11, 2024, and holds the following positions in

Eagle Cement Corporation: President and Chief Executive Officer (since 2008), Director (since 2010), and Chair of its Executive Committee (since 2017). He was a member of Eagle Cement Corporation's Nomination and Remuneration Committee (from February 13, 2017 to July 15, 2020). He is likewise Director of San Miguel Global Power Holdings Corp. (also Vice Chair), San Miguel Equity Investments Inc. (also President), and South Western Cement Corporation (where he is also President and Chief Executive Officer for both companies), San Miguel Brewery Inc., SLEX Holdings Company Inc., SMC Tollways Corporation, and KB Space Holdings, Inc., and Trustee of RSA Foundation, Inc. Mr. Ang holds a Bachelor of Arts Degree from Ateneo de Manila University.

**Carlos Antonio M. Berba**, Filipino, 61, was appointed as Chief Operating Officer – Beer on June 5, 2024, and elected as an executive director of the Company on the same date. He is also a Director of San Miguel Brewery, Inc. since August 10, 2010, and its President since May 28, 2024. He is a Director and the Deputy Chair of San Miguel Brewery Hong Kong Limited (Hong Kong); a Commissioner of PT Delta Jakarta Tbk (Indonesia); and Chair/Director of other subsidiaries of San Miguel Brewing International Limited, including San Miguel Beer (Thailand) Limited, San Miguel Holdings (Thailand) Limited and San Miguel Marketing (Thailand) Limited. Mr. Berba holds a Bachelor of Science Degree in Electrical Engineering from the University of the Philippines, a Master's Degree in Japanese Business Studies from the Japan America Institute of Management Science & Chaminade University of Honolulu, and a Master's Degree in Business Administration from the Wharton School, University of Pennsylvania.

**Emmanuel B. Macalalag**, Filipino, 60, was appointed Chief Operating Officer – Food on February 5, 2025. He has been an executive director of the Company since January 9, 2019 and a member of the Company's Executive Committee since June 2, 2021. In the year 2025, Mr. Macalalag was elected as President of San Miguel Foods, Inc., The Purefoods-Hormel Company, Inc., Magnolia Inc., San Miguel Mills, Inc., San Miguel Super Coffeemix Co., Inc., Foodcrave Marketing, Inc., San Miguel Foods Mindanao, Inc., and San Miguel Foods South Luzon, Inc. (formerly Artholand Property Development Inc.); Chair of Golden Food Management, Inc., Golden Bay Grain Terminal Corporation, Golden Avenue Corp., JGT Holdings, Inc., San Miguel Pure Foods (Vn) Co., Ltd., and San Miguel Foods International, Limited; Director of Nine Dots Media Consulting Corporation, Single Kitchen Ventures Inc., and San Miguel Foods Investment (BVI) Limited; and President Commissioner of PT San Miguel Foods Indonesia. He previously held the following positions: Chief Operating Officer – Spirits of the Company (from July 5, 2018 to November 5, 2024) and General Manager of Ginebra San Miguel Inc. (GSMI) (from September 29, 2017 to October 31, 2024). He currently holds the following positions in the various subsidiaries and affiliate of GSMI: Director of Distileria Bago, Inc. and East Pacific Star Bottlers Phils Inc., and Director of Agricrops Industries Inc., Crown Royal Distillers, Inc., Healthy Condiments, Inc., Thai San Miguel Liquor Company Limited and GSM International Holdings Limited. Mr. Macalalag obtained his Bachelor of Science in Mathematics degree from De La Salle University (DLSU), Manila where he graduated *cum laude*. He also holds a Master's degree in Mathematics from DLSU and PhD degree in Operations Research from the University of Melbourne, Australia. He does not hold any directorship in any company listed in the PSE other than the Company.

**Monica L. Ang-Mercado**, Filipino, 37, is a director of the Company since June 5, 2024, and was appointed as its Chief Finance Officer on February 5, 2025 making her an executive director as of that date. She was also appointed as the Company's Chief Risk Officer on June 4, 2025, and as Treasurer on February 6, 2026. She is Assistant to the Office of the President, San Miguel Corporation, since 2024. Ms. Mercado is a Director of Eagle Cement Corporation since June 3, 2013 and is concurrently its Chief Finance Officer, Treasurer, Executive Vice President for Business Support Group, and Risk Oversight Officer. She is also the Chair of Buildnet Construction, Inc. and Director, Chief Finance Officer and Treasurer of South Western Cement Corporation. She is likewise Director and Treasurer of Solid North Mineral Corporation, Trustee and Executive Director of RSA Foundation, Inc., and Director of the following companies: KB Space Holdings, Inc., Q-Tech Alliance Holdings, Inc., and Premier Capital Venture Corporation. She has a Bachelor of Science degree in Management, Minor in Enterprise Development from the Ateneo de Manila University, and an Executive MBA from Kellogg-HKUST.

**Ferdinand K. Constantino**, Filipino, 74, was the Treasurer of the Company from July 5, 2018 until January 31, 2026. He previously held the following positions in the Company: Non-executive director of the Company (from January 9, 2019 to January 31, 2026), a member of the Board Risk Oversight Committee (from February 6, 2019 to January 31, 2026), which became the Board Risk Oversight and Sustainability Committee (on August 2, 2023), a member of the Related Party Transactions Committee

(from June 2, 2021 to January 31, 2026), and a member of the Audit Committee (from June 7, 2023 to January 31, 2026).

**Aurora T. Calderon**, Filipino, 71, has been a non-executive director of the Company since January 9, 2019, and member of the Company's Audit Committee since February 6, 2019 and Board Risk Oversight and Sustainability Committee since August 2, 2023. Ms. Calderon is a Director, member of the Corporate Governance Committee, and the Senior Vice President-Senior Executive Assistant to the Chairman and Chief Executive Officer of listed company San Miguel Corporation. She holds the following positions in other listed companies, namely: Director and Treasurer of Top Frontier Investment Holdings, Inc.; Director of Petron Corporation, Petron Malaysia Refining and Marketing Bhd. (a company publicly listed in Malaysia) and Ginebra San Miguel Inc.; and Non-Executive Director of San Miguel Brewery Hong Kong Ltd. since February 24, 2025. She is the Chair and President of East Pacific Star Bottlers Phils Inc., Agricrops Industries Inc. and Crown Royal Distillers, Inc. She is also a member of the board of directors of San Miguel Brewery Inc., San Miguel Global Power Holdings Corp., Sea Refinery Corporation, Coastal View Exploration Corporation, New Ventures Realty Corporation, Las Lucas Construction and Development Corporation, Thai San Miguel Liquor Company Limited, and San Miguel Equity Investments Inc. She is also a Director of the Market Governance Board of the Philippine Dealing Systems Holdings Corporation. A certified public accountant, Ms. Calderon graduated *magna cum laude* from the University of the East with a degree in BS Business Administration, major in Accountancy. She finished her Masters in Business Administration at Ateneo de Manila University (without thesis). In addition, Ms. Calderon holds directorships in various SMC domestic and international subsidiaries.

**Francisco S. Alejo III**, Filipino, 77, a non-executive director since February 5, 2025, was an executive director of the Company from May 22, 2001 up to February 4, 2025. He is also director of The Purefoods-Hormel Company, Inc. Mr. Alejo previously held the following positions: Member of the Company's Executive Committee (from April 25, 2002 to February 4, 2025), Chief Operating Officer – Food of the Company (from July 5, 2018 to February 24, 2025), President of the Company (from May 2005 to July 2018), President of The Purefoods-Hormel Company, Inc. (from January 1999 to June 2012; then from July 4, 2019 to March 17, 2025), San Miguel Foods, Inc. (from May 20, 2005 to January 31, 2025), San Miguel Mills, Inc. (from September 27, 2005 to January 31, 2025), San Miguel Super Coffeemix Co., Inc. (from November 27, 2019 to January 31, 2025), Magnolia Inc. (from September 29, 2005 to January 31, 2025), Foodcrave Marketing, Inc. (from June 10, 2019 to January 31, 2025), San Miguel Foods Mindanao, Inc. (from December 13, 2023 to January 31, 2025), and San Miguel Foods South Luzon, Inc. (formerly Artholand Property Development Inc.) (from May 23, 2023 to January 31, 2025); and Director of Ginebra San Miguel Inc. (from May 28, 2015 to January 31, 2025). Mr. Alejo holds a Bachelor's Degree in Business Administration from De La Salle University and is a graduate of the Advanced Management Program of Harvard Business School.

**Menardo R. Jimenez**, Filipino, 93, has been a non-executive director of the Company since April 25, 2002. He is a member of its Board Risk Oversight Committee (since May 12, 2017), which became the Board Risk Oversight and Sustainability Committee (on August 2, 2023), and Corporate Governance Committee (since February 6, 2019). He was previously a member of its Audit Committee (from June 2008 to February 2019) and Related Party Transactions Committee (from May 2017 to February 2019). Mr. Jimenez is a Director of private companies Magnolia Inc., Majent Management and Development Corporation, Dasoland Holdings Corporation, Menarco Property Development & Management Corporation, and Unicapital Equities Ventures, Inc. He is the Chair of several Philippine companies, including Coffee Bean and Tea Leaf Holdings, Inc., The Table Group, Inc. and Meedson Properties Corporation. Mr. Jimenez holds a Bachelor's Degree in Commerce from Far Eastern University and is a Certified Public Accountant. Among others, he was conferred Doctorates in Business Management *Honoris Causa* by University of Pangasinan and *Pamantasan ng Lungsod ng Maynila*.

**Francis H. Jardeleza**, Filipino, 76, has been a non-executive director of the Company since August 5, 2020. He is also currently a director of listed companies Ginebra San Miguel Inc. and Petron Corporation. He is likewise an incumbent director of MORE Electric and Power Corporation and was a director of EastWest Bank from April 2021 to January 2022. He is also a member of the International and Maritime Law Section of the Philippine Judicial Academy (since July 2023). Mr. Jardeleza is a retired Associate Justice of the Supreme Court (from August 2014 to September 2019) and former Solicitor General of the Philippines (from February 2012 to August 2014). Prior to the several positions he held in public service, Mr. Jardeleza was the Senior Vice President and General Counsel of San

Miguel Corporation (from 1996 to 2010). Mr. Jardeleza holds a Bachelor of Arts, Major in Political Science, and a Bachelor of Laws Degree from the University of the Philippines. He is also a member of the New York State Bar and a graduate of the Master of Laws Program at Harvard Law School.

**Ricardo C. Marquez**, Filipino, 65, has been an independent and non-executive director of the Company since March 16, 2017. He is also Chair of the Company's Board Risk Oversight Committee (since May 12, 2017), which became the Board Risk Oversight and Sustainability Committee (on August 2, 2023), and a member of the Company's Audit Committee (since March 16, 2017) and Corporate Governance Committee (since May 12, 2017). He was previously a member of the Related Party Transactions Committee (from May 2017 to February 2019). Gen. Marquez is likewise currently an Independent Director of listed companies Top Frontier Investment Holdings, Inc. and Petron Corporation, public company Eagle Cement Corporation, and a member of the Board of Trustees of the Public Safety Mutual Benefit Fund, Inc. Gen. Marquez held several positions in the Philippine National Police (PNP) before he became Chief of the PNP from July 2015 to June 2016. Gen. Marquez holds a Bachelor of Science Degree from the Philippine Military Academy, and a Masters in Management Degree from Philippine Christian University.

**Cirilo P. Noel**, Filipino, 69, has been an independent and non-executive director of the Company since September 12, 2018, as well as Lead Independent Director of the Company since June 1, 2022. He is the Chair of the Audit Committee since February 6, 2019 and member thereof since September 12, 2018. He is also a member of the Related Party Transactions Committee since February 6, 2019. He was previously a member of the Corporate Governance Committee from June 2, 2021 to June 7, 2023. Mr. Noel currently serves as Director of LH Paragon Group, Infinity Energy Trading Systems Pte. Ltd. (formerly Amber Kinetics Holding Co.), Transnational Diversified Corporation, Eton Properties, Inc. and Golden ABC, and listed companies Globe Telecom, Inc., Robinsons Retail Holdings, Inc. and First Philippine Holdings Corporation. He is also Chair of Juxtapose Ergo Consultus Inc, Peakpower Energy Inc., Jin Navitas Electric Corporation, Jin Navitas Solaris Inc., and Confiar Land Corporation, and the Chair of listed company Security Bank Corporation, and a member of the Board of Trustees of St. Luke's Medical Center-Quezon City, St. Luke's Medical Center-Global City, St. Luke's Medical Center of College of Medicine and St. Luke's Foundation, Inc. Mr. Noel is affiliated with the Makati Business Club and Harvard Club of the Philippines. A lawyer and certified public accountant, Mr. Noel holds a Bachelor of Science Degree in Business Administration from University of the East, a Bachelor of Laws Degree from Ateneo de Manila University School of Law and a Masters Degree in Law from Harvard Law School. He is also a fellow of the Harvard International Tax Program and attended the Management Development Program at the Asian Institute of Management.

**Aurora S. Lagman**, Filipino, 87, is an independent and non-executive director of the Company since March 9, 2022. She is the Chair (former member) of the Company's Related Party Transactions Committee and a member (former Chair) of the Corporate Governance Committee since June 4, 2025. She is also a member of the Company's Board Risk Oversight Committee, which became the Board Risk Oversight and Sustainability Committee (on August 2, 2023), since March 9, 2022. She is currently an Independent Director of listed company Ginebra San Miguel Inc. and is the Chair of the Corporate Governance Committee and a Member of the Audit and Risk Oversight Committee of said company. Ms. Lagman is a retired Associate Justice of the Court of Appeals of the Philippines (from February 2004 to January 2008) and served as Member of the Judicial and Bar Council (from October 2008 to July 2016). She is a part-time faculty member of the College of Law, Bulacan State University (currently on leave) and Adviser of RTC Judges Association of Bulacan, Inc. She obtained her law degree at the College of Law of Lyceum of the Philippines and attended special studies and short courses abroad such as Program of Instruction for Lawyers, Harvard Law School, Cambridge, Massachusetts, U.S.A. and Special Course on Evidence, National Judicial College, University of Nevada, Reno, U.S.A.

**Estela M. Perlas-Bernabe**, Filipino, 74, is an independent and non-executive director of the Company since August 3, 2022. She is the Chair (former member) of the Company's Corporate Governance Committee, as well as a member (former Chair) of the Company's Related Party Transactions Committee since June 4, 2025. She is also a member of the Company's Board Risk Oversight and Sustainability Committee since August 2, 2023. Ms. Bernabe is currently an Independent Director of listed companies BDO Unibank, Inc. (since July 31, 2022), Converge ICT Solutions, Inc. (since May 26, 2023), Aboitiz Power Corporation (since April 2025), and SM Prime Holdings, Inc. (since August 15, 2025), and private companies Petrogen Insurance Corporation (since March 23, 2023) and BDO Private Bank, Inc. (since April 21, 2025). She is also a Trustee of the Board of Trustees of the Foundation for



Liberty and Prosperity (since December 6, 2022), a Director of the Philippine Judicial Academy Development Center Inc. (since November 13, 2023), and a Member of the Singapore International Arbitration Centre Panel of Arbitrators (since February 7, 2025). Ms. Bernabe is a retired Associate Justice of the Supreme Court of the Philippines (from September 2011 to May 2022). She served as Senior Associate Justice and Division Chair of the Second Division of the Supreme Court from 2019 to 2022, and President of the Philippine Women Judges Association from 2018 to 2022. She holds a Bachelor of Science in Commerce Degree in Banking and Finance from St. Paul College of Manila and a Bachelor of Laws Degree from Ateneo de Manila University School of Law.

**Antonio S. Abacan, Jr.**, Filipino, 83, is an independent director of the Company and a member of the Audit Committee and Board Risk Oversight and Sustainability Committee since June 5, 2024. He is an independent director of listed companies Bank of Commerce and COSCO Capital, Inc., as well as private company Primex Realty Corporation. He served as a member of the Monetary Board of the Bangko Sentral ng Pilipinas from July 3, 2017 until July 2, 2023. Prior to his appointment to the Monetary Board, he was President and Chair of Metropolitan Bank & Trust Company, and President and Director of Metrobank Card Corporation and Philippine Savings Bank. He also served as Chair for First Metro Investment Corporation. He holds a Bachelor of Science in Business Administration Major in Banking and Finance at Mapua Institute of Technology and Major in Accounting at Far Eastern University. He attended an Executive Program at the Graduate School of Business, Stanford University and earned his Doctorate Degree in Business Administration (Honoris Causa) at the Philippine Women's University.

#### Key Officers

##### **Cynthia M. Baroy**

Chief Operating Officer for Spirits Segment

##### **Monica L. Ang-Mercado**

*(please refer to page 34 under the Directors' profile)*

##### **Alexandra Victoria B. Trillana**

Corporate Secretary, Compliance Officer, and General Counsel

##### **Kristina Lowella I. Garcia**

Assistant Vice President and Investor Relations Manager  
Data Protection Officer

**Cynthia M. Baroy**, Filipino, 62, was appointed as the Company's Chief Operating Officer – Spirits on November 6, 2024. She is OIC General Manager of Ginebra San Miguel Inc. (GSMI) since November 1, 2024. Prior to this appointment in GSMI, she was the company's Chief Finance Officer/Treasurer. She is also Director and OIC General Manager of Distileria Bago, Inc. (DBI) and East Pacific Star Bottlers Phils Inc., and Director of Agricrops Industries Inc., Crown Royal Distillers, Inc. and Healthy Condiments, Inc. Ms. Baroy is likewise a Director of GSM International Holdings Limited, Siam Holdings Limited, Global Beverage Holdings Limited, Siam Wine and Liquor Limited, and Thai Ginebra Trading Company Limited. She is a Member of the Board of Trustees of the Retirement Plan of GSMI and DBI. She obtained her B.S. Commerce major in Accounting from the University of Sto. Tomas where she graduated Cum Laude. She is a Certified Public Accountant.

**Monica L. Ang-Mercado** *(please refer to page 36 under the Directors' profile).*

**Alexandra Victoria B. Trillana**, Filipino, 52, is the Corporate Secretary (since September 15, 2010), Compliance Officer (since August 8, 2016) and General Counsel (since June 5, 2019) of the Company. She is also Vice President and General Counsel of the Food Division; and Corporate Secretary of San Miguel Foods, Inc., San Miguel Mills, Inc., Magnolia Inc., The Purefoods-Hormel Company, Inc., San Miguel Super Coffeemix Co., Inc., Golden Food Management, Inc., Golden Bay Grain Terminal Corporation, Golden Avenue Corp., Foodcrave Marketing, Inc., San Miguel Foods Mindanao, Inc., San Miguel Foods South Luzon, Inc., Nine Dots Media Consulting Corporation, and Single Kitchen Ventures Inc. Atty. Trillana holds a Bachelor's Degree in Commerce Major in Legal Management from De La Salle University and a Juris Doctor Degree from Ateneo de Manila University School of Law.

**Kristina Lowella I. Garcia**, Filipino, 52, was appointed Assistant Vice President and Investor Relations Manager of the Company effective August 1, 2018. She is also the Data Protection Officer of the Company (since June 1, 2022). She was previously a Director for Investor Relations of Century Properties Group, Inc. (January 2013 to July 2018). Ms. Garcia holds a Bachelor of Arts Degree from Ateneo De Manila University, a Certificate in Business Administration from Georgetown University, and a Masters in Business Administration from John Hopkins University.

#### Board Attendance

In 2025, the Board of Directors held six (6) meetings. Set out below is the record of attendance of the directors in these meetings is as follows:

|                                                                                  | <b>Date of Board Meeting, All in Year 2025</b> |               |              |               |               |                |
|----------------------------------------------------------------------------------|------------------------------------------------|---------------|--------------|---------------|---------------|----------------|
| <b>Director</b>                                                                  | <b>Feb. 5</b>                                  | <b>Mar. 5</b> | <b>May 7</b> | <b>June 4</b> | <b>Aug. 6</b> | <b>Nov. 10</b> |
| Ramon S. Ang<br><i>Chairman</i>                                                  | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| John Paul L. Ang<br><i>President and CEO</i>                                     | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Carlos Antonio M. Berba                                                          | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Emmanuel B. Macalalag                                                            | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Monica L. Ang-Mercado                                                            | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Ferdinand K. Constantino<br><i>(Ceased to be a director on January 31, 2026)</i> | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Aurora T. Calderon                                                               | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Francisco S. Alejo III                                                           | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Menardo R. Jimenez                                                               | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Francis H. Jardeleza                                                             | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Ricardo C. Marquez<br><i>Independent Director</i>                                | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Cirilo P. Noel<br><i>Independent Director</i>                                    | Absent                                         | ✓             | ✓            | ✓             | ✓             | ✓              |
| Aurora S. Lagman<br><i>Independent Director</i>                                  | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Estela M. Perlas-Bernabe<br><i>Independent Director</i>                          | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |
| Antonio S. Abacan, Jr.<br><i>Independent Director</i>                            | ✓                                              | ✓             | ✓            | ✓             | ✓             | ✓              |

Also in the year 2025, the stockholders held the Annual Stockholders' Meeting on June 4. The attendance of the directors at this meeting is as follows:

|                                              | <b>Date of 2025 Stockholders' Meeting</b> |
|----------------------------------------------|-------------------------------------------|
| <b>Director</b>                              | <b>June 4</b>                             |
| Ramon S. Ang<br><i>Chairman</i>              | ✓                                         |
| John Paul L. Ang<br><i>President and CEO</i> | ✓                                         |
| Carlos Antonio M. Berba                      | ✓                                         |

|                                                         |   |
|---------------------------------------------------------|---|
| Emmanuel B. Macalalag                                   | ✓ |
| Ferdinand K. Constantino                                | ✓ |
| Monica L. Ang-Mercado                                   | ✓ |
| Aurora T. Calderon                                      | ✓ |
| Francisco S. Alejo III                                  | ✓ |
| Menardo R. Jimenez                                      | ✓ |
| Francis H. Jardeleza                                    | ✓ |
| Ricardo C. Marquez<br><i>Independent Director</i>       | ✓ |
| Cirilo P. Noel<br><i>Independent Director</i>           | ✓ |
| Aurora S. Lagman<br><i>Independent Director</i>         | ✓ |
| Estela M. Perlas-Bernabe<br><i>Independent Director</i> | ✓ |
| Antonio S. Abacan, Jr.<br><i>Independent Director</i>   | ✓ |

#### Term of Office

Pursuant to the Company's Amended By-Laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote. Each director holds office for a term of one (1) year and until the election and qualification of their successors, unless he resigns, dies, or is removed prior to such election. Any director elected in the interim serves for the remaining term until the next annual meeting of the stockholders.

The Company's Amended By-Laws provide that the annual stockholders' meeting shall be held on the first Wednesday of June of every year.

#### Independent Directors

The independent directors of the Company as of the year ended December 31, 2025, were Mr. Ricardo C. Marquez, Mr. Cirilo P. Noel, Ms. Aurora S. Lagman, Ms. Estela M. Perlas-Bernabe, and Mr. Antonio S. Abacan, Jr. In compliance with SEC Memorandum Circular No. 4, Series of 2017, none of the independent directors have served as such in the same company for a maximum cumulative term of nine (9) years. All the independent directors of the Company are independent of its management and substantial shareholders.

On June 4, 2025, the Board appointed Mr. Cirilo P. Noel as lead director among the Company's independent directors, granting him the authority to lead the Board of Directors in cases where management had clear conflicts of interest.

#### Significant Employees

The Company has no employee who is not an executive officer, but who is expected to make a significant contribution to the business.

#### Family Relationships

Mr. Ramon S. Ang is the father of Mr. John Paul L. Ang and Ms. Monica L. Ang-Mercado. There are no other family relationships up to the fourth civil degree either by consanguinity or affinity among the Company's directors, executive officers, or persons nominated or chosen by the Company to become its directors or executive officers.

#### Intermediate Parent Company

As of December 31, 2025, SMC owns and controls 5,245,082,440 common shares comprising 88.76% of the outstanding capital stock of the Company entitled to vote.

### Involvement in Certain Legal Proceedings

None of the directors, nominees for election as director, executive officers or control persons of the Company have been the subject of any (a) bankruptcy petition, (b) conviction by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses, (c) order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities, which is not subsequently reversed, suspended or vacated, or (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, which has not been reversed, suspended or vacated, for the past five (5) years up to the date that is material to the evaluation of his ability or integrity to hold the relevant position in the Company.

### **Item 10. Executive Compensation**

The aggregate compensation paid or incurred during the last two (2) fiscal years, as well as those estimated to be paid in the ensuing fiscal year, to the Company's Chief Executive Officer and Senior Executive Officers are as follows:

| NAME                                                                                         | YEAR                | SALARY            | BONUS             | OTHERS            | TOTAL               |
|----------------------------------------------------------------------------------------------|---------------------|-------------------|-------------------|-------------------|---------------------|
| Total Compensation of the Chief Executive Officer and Senior Executive Officers <sup>1</sup> | 2026<br>(estimated) | P94.5<br>Million  | P28.4<br>Million  | P11.9<br>Million  | P134.8<br>Million   |
|                                                                                              | 2025                | P93.8<br>Million  | P42.2<br>Million  | P16.2<br>Million  | P152.2<br>Million   |
|                                                                                              | 2024                | P113.9<br>Million | P70.9<br>Million  | P14.2<br>Million  | P199.0<br>Million   |
| All other officers and directors as a group unnamed                                          | 2026<br>(estimated) | P683.2<br>Million | P202.4<br>Million | P138.6<br>Million | P1,024.2<br>Million |
|                                                                                              | 2025                | P682.5<br>Million | P338.1<br>Million | P186.3<br>Million | P1,206.9<br>Million |
|                                                                                              | 2024                | P686.3<br>Million | P225.3<br>Million | P184.7<br>Million | P1,096.3<br>Million |

<sup>1</sup> The Chief Executive Officer and Senior Executive Officers of the Company for 2024 were as follows: Ramon S. Ang, John Paul L. Ang (elected as President and Chief Executive Officer at the organizational Board of Directors' meeting on June 5, 2024), Carlos Antonio M. Berba (elected as Chief Operating Officer – Beer at the organizational Board of Directors' meeting on June 5, 2024), Francisco S. Alejo III, and Emmanuel B. Macalalag.

The Chief Executive Officer and Senior Executive Officers of the Company for 2025 and 2026 are as follows: John Paul L. Ang, Carlos Antonio M. Berba, Emmanuel B. Macalalag, Cynthia M. Baroy (elected as Chief Operating Officer – Spirits at the Board of Directors' meeting on November 6, 2024), and Monica L. Ang-Mercado (elected as Chief Finance Officer, Chief Risk Officer and Treasurer at the Board of Directors' meetings on February 5, 2025, June 4, 2025, and February 6, 2026, respectively).

| NAME  | YEAR                | SALARY            | BONUS             | OTHERS            | TOTAL               |
|-------|---------------------|-------------------|-------------------|-------------------|---------------------|
| TOTAL | 2026<br>(estimated) | P777.7<br>Million | P230.8<br>Million | P150.5<br>Million | P1,159.0<br>Million |
|       | 2025                | P776.3<br>Million | P380.3<br>Million | P202.5<br>Million | P1,359.1<br>Million |
|       | 2024                | P800.2<br>Million | P296.2<br>Million | P198.9<br>Million | P1,295.3<br>Million |

Section 29 of the Revised Corporation Code of the Philippines (the “Law”) provides that in the absence of any provision in the by-laws fixing their compensation, directors shall not receive any compensation in their capacity as such, except for reasonable per diems; provided, however, that the stockholders representing at least a majority of the outstanding capital stock may grant directors with compensation and approve the amount thereof at a regular or special meeting.

Article II, Section 5 of the Amended By-laws of the Company provides that the members of the Board of Directors shall each be entitled to a director’s fee in the amount to be fixed by the stockholders at a regular or special meeting duly called for that purpose.

In view of the foregoing, considering that (a) the Amended By-laws of the Company does not fix compensation for directors, and (b) the stockholders have not granted directors any compensation or director’s fee, the Company’s directors do not receive any compensation or director’s fee from the Company.

As allowed by the Law, however, each director receives a reasonable per diem of P25,000.00 for each Board meeting attended, and P20,000.00 for each Board Committee meeting attended. The directors did not participate in the determination of such per diems.

The Company paid a total of P3,465,000.00 in per diem allowances to the Board of Directors for meetings attended by them in 2025, as follows:

|                                                                         |                              |
|-------------------------------------------------------------------------|------------------------------|
| Executive Directors <sup>2</sup>                                        | P 700,000.00                 |
| Non-executive Directors (other than Independent Directors) <sup>3</sup> | 1,320,000.00                 |
| Independent Directors <sup>4</sup>                                      | 1,445,000.00                 |
| <b>TOTAL</b>                                                            | <b><u>P 3,465,000.00</u></b> |

A breakdown of the per diem allowances received by each director for meetings attended by them in 2025 is provided below:

| Director                | Per Diems    |
|-------------------------|--------------|
| Ramon S. Ang            | P 170,000.00 |
| John Paul L. Ang        | 170,000.00   |
| Francisco S. Alejo III  | 150,000.00   |
| Carlos Antonio M. Berba | 170,000.00   |
| Emmanuel B. Macalalag   | 170,000.00   |

<sup>2</sup> Comprised of John Paul L. Ang, Monica L. Ang-Mercado, Emmanuel B. Macalalag, and Carlos Antonio M. Berba.

<sup>3</sup> Comprised of Ramon S. Ang, Ferdinand K. Constantino, Aurora T. Calderon, Menardo R. Jimenez, Francis H. Jardeleza, and Francisco S. Alejo III.

<sup>4</sup> Comprised of Ricardo C. Marquez, Cirilo P. Noel, Aurora S. Lagman, Estela M. Perlas-Bernabe, and Antonio S. Abacan, Jr.

|                          |                       |
|--------------------------|-----------------------|
| Ferdinand K. Constantino | 290,000.00            |
| Aurora T. Calderon       | 270,000.00            |
| Monica L. Ang-Mercado    | 190,000.00            |
| Menardo R. Jimenez       | 270,000.00            |
| Francis H. Jardeleza     | 170,000.00            |
| Ricardo C. Marquez       | 350,000.00            |
| Cirilo P. Noel           | 245,000.00            |
| Aurora S. Lagman         | 290,000.00            |
| Estela M. Perlas-Bernabe | 290,000.00            |
| Antonio S. Abacan, Jr.   | 270,000.00            |
| <b>TOTAL</b>             | <b>P 3,465,000.00</b> |

There are no other arrangements pursuant to which any of the directors was compensated or is to be compensated, directly or indirectly, by the Company for services rendered during the last fiscal year, and the ensuing fiscal year.

There are no employment contracts between the Company and its executive officers.

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

There are no outstanding warrants or options held by the Company's President, named executive officers and all directors and officers as a group.

#### **Item 11. Security Ownership of Certain Beneficial Owners and Management**

Owners of record of more than 5% of the Company's voting<sup>5</sup> securities as of December 31, 2025, are as follows:

| <b>Title of Class</b> | <b>Name, Address of Record Owner and Relationship with Issuer</b>                                                                             | <b>Name of Beneficial Owner and Relationship with Record Owner</b> | <b>Citizenship</b> | <b>No. of Shares Held</b> | <b>Percent Ownership to Capital Stock</b> |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------|---------------------------|-------------------------------------------|
| Common                | San Miguel Corporation <sup>6</sup><br>SMC Head Office Complex<br>40 San Miguel Avenue,<br>Mandaluyong City<br>1550, parent company of issuer | San Miguel Corporation                                             | Filipino           | 5,245,082,440             | 88.7610%                                  |

<sup>5</sup> The holders of common shares have the right to vote on all matters requiring stockholders' approval.

<sup>6</sup> The Board of Directors of SMC authorizes any one Group A signatory or any two Group B signatories to act and vote in person or by proxy, shares held by SMC in other corporations. The Group A signatories of SMC are Ramon S. Ang, John Paul L. Ang, Bryan U. Villanueva, Joseph N. Pineda, Virgilio S. Jacinto, Aurora T. Calderon, Ferdinand K. Constantino, Bella O. Navarra, Monica L. Ang-Mercado, and Susan Y. Yu, and. The Group B signatories of SMC are Cecile Caroline U. de Ocampo, Lorenzo G. Formoso III, Almira C. Dalusung, Ma. Raquel Paula G. Lichauco, Joseph Francis M. Cruz, Ildefonso B. Alindogan, and Nina Frances Therese B. Tenorio.

| <b>Title of Class</b> | <b>Name, Address of Record Owner and Relationship with Issuer</b>                                                                                                | <b>Name of Beneficial Owner and Relationship with Record Owner</b> | <b>Citizenship</b> | <b>No. of Shares Held</b> | <b>Percent Ownership to Capital Stock</b> |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------|---------------------------|-------------------------------------------|
| Common                | PCD Nominee Corporation <sup>7</sup><br>37th Floor, Tower One, Enterprise Center<br>Ayala Ave. corner Paseo de Roxas Ave.,<br>Makati City, no relation to issuer | Various <sup>8</sup>                                               | Non-Filipino       | 371,505,696               | 6.2869%                                   |

The following are the number of shares of the Company's capital stock, all of which are voting shares, owned of record by the directors and key officers of the Company as of the start of the year, and as of the year ended December 31, 2025:

| <b>Name of Director/ Key Officer</b>                          | <b>Number of Shares as of December 31, 2024</b>                | <b>Number of Shares as of December 31, 2025</b>                | <b>% of Capital Stock</b> |
|---------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------|
| Ramon S. Ang                                                  | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| John Paul L. Ang                                              | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Francisco S. Alejo III                                        | 10 common shares (Direct);<br>230,000 common shares (Indirect) | 10 common shares (Direct);<br>230,000 common shares (Indirect) | 0%                        |
| Carlos Antonio M. Berba                                       | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Emmanuel B. Macalalag                                         | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Ferdinand K. Constantino                                      | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Aurora T. Calderon                                            | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Menardo R. Jimenez                                            | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Monica L. Ang-Mercado                                         | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Francis H. Jardeleza                                          | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Ricardo C. Marquez                                            | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Cirilo P. Noel                                                | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Aurora S. Lagman                                              | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Estela M. Perlas-Bernabe                                      | 10 common shares (Direct);<br>3,000 common shares (Indirect)   | 10 common shares (Direct);<br>3,000 common shares (Indirect)   | 0%                        |
| Antonio S. Abacan, Jr.                                        | 10 common shares (Direct)                                      | 10 common shares (Direct)                                      | 0%                        |
| Cynthia M. Baroy                                              | None                                                           | None                                                           | 0%                        |
| Ildefonso B. Alindogan<br>(who served until February 4, 2025) | None                                                           | N/A                                                            | 0%                        |
| Kristina Lowella I. Garcia                                    | 10,000 common shares (Indirect)                                | 10,000 common shares (Indirect)                                | 0%                        |
| Alexandra Victoria B. Trillana                                | None                                                           | None                                                           | 0%                        |

<sup>7</sup> Registered owner of shares held by participants in the Philippine Central Depository, Inc., a private company organized to implement an automated book entry of handling securities in the Philippines.

<sup>8</sup> None of the holders of the Company's common shares registered under the name of PCD Nominee Corporation owns more than 5% of the Company's shares.

|                              |      |      |    |
|------------------------------|------|------|----|
| Johanna Dominique G. Esteban | None | None | 0% |
|------------------------------|------|------|----|

The aggregate number of shares owned of record by the Chief Executive Officer/President, key officers, and directors as a group as of December 31, 2025, is 233,150 shares or approximately 0.0039% of the Company's outstanding capital stock.

The aggregate number of shares owned of record by all officers and directors as a group as of December 31, 2025, is 243,150 shares or approximately 0.0041% of the Company's outstanding capital stock.

The foregoing beneficial or record owners have no right to acquire additional shares within thirty (30) days, from options, warrants, conversion privileges, or similar obligations or otherwise.

There is no person holding more than 5% of the Company's voting securities under a voting trust or similar agreement.

Since the beginning of the last fiscal year, there were no arrangements, which resulted in a change in control of the Company.

There are no shareholder agreements, provisions in the Company's by-laws, or other arrangements that constrain the directors' ability to vote independently. Neither does the Company have voting trust agreements, confidentiality agreements, or other agreements that may impact on the control, ownership, and strategic direction of the Company.

## Item 12. Certain Relationships and Related Transactions

The Company recognizes that under the law, for a contract with an officer not to be voidable, the contract should be fair and reasonable under the circumstances and should have been previously authorized by the Board of Directors. The Company also recognizes that under the law, for a contract with a director not to be voidable, the presence of such a director in the board meeting in which the contract was approved should not be necessary to constitute a quorum for such a meeting, and the vote of such director should not be necessary for the approval of the contract. The contract should also be fair and reasonable under the circumstances.

The Company observes an arm's length policy in its dealings with related parties. Any transactions with affiliates and other related parties are entered into in the ordinary course of business. These transactions consist principally of the sale and/or purchase of goods and/or services. Transactions with related parties are made at normal market prices and terms. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates. The Company does not enter related party transactions that can be classified as financial assistance granted by the Company to subsidiary or affiliate entities.

Moreover, consistent with the Company's Amended Manual on Corporate Governance that all material information, *i.e.*, anything that could potentially affect share price, should be publicly disclosed, related party transactions are fully disclosed in the Company's notes to its audited consolidated financial statements. The Company's transactions with related parties are described in Note 30 (Related Party Disclosures) of the Company's 2025 Audited Consolidated Financial Statements attached hereto as **Annex "B"**, as well as the discussion under *Transactions with and/or Dependence on related parties* in Item 1 (Business) of this report.

There were no transactions with directors, officers, or any principal stockholders (owning at least 10% of the total outstanding shares of the Company) that are not in the ordinary course of business of the Company. There have been no complaints, disputes, or problems regarding related party transactions of the Company.

The Human Resources Division of the Company ensures the implementation of the Company's policy against conflicts of interest and the misuse of inside and proprietary information throughout the organization. Employees are required to promptly disclose any business and family-related interest or



involvement, which, by nature, may directly or indirectly conflict with the interests of the Company to ensure that such potential conflicts of interest are raised and brought to the attention of management for resolution.

## **PART IV – CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance**

The Company is fully committed to the highest standards of corporate governance to protect the interests of all its stakeholders and to promote long-term sustainability of the Group. The Company continues to improve its policies and institutionalize good corporate governance practices, to ensure integrity, transparency, and proper governance in the conduct of its affairs.

The Company recognizes that to sustain good corporate governance within the organization, the same sound culture must be upheld and cultivated from the top. It is of paramount importance to monitor the governance structure and performance of the Board of Directors and top management according to their roles, responsibilities, and accountabilities.

Since the year 2011, it has been a policy and practice of the Company for its Board of Directors to conduct an annual self-assessment exercise through a questionnaire given to each director at the last regular meeting for the year, for the purpose of evaluating the performance of the Board that year and the effectiveness of the Company's governance processes and seeking ways to improve such performance.

The Company continually reviews this assessment process to take into consideration leading practices in corporate governance. In fact, the self-rating form had been revised in 2016 to cover the appraisal of the Board of Directors as a governing unit, of individual directors, of the different Board Committees, and of management, including the President.

The assessment criteria include the structure, efficiency, and effectiveness of the Board, participation and engagement of each director, contribution of each member director to their respective Committees, and the performance of management. The criteria also reflect the specific duties, responsibilities, and accountabilities of each party assessed as provided in the Company's Amended By-laws, Amended Manual on Corporate Governance (the "Manual"), Board Committee Charters, and governing policies.

Moreover, the questionnaire allows the director to provide comments and suggestions to further enrich the assessment process. In case clarification is needed on this policy and the performance assessment exercise, the Board addresses their queries to the Compliance Officer.

The Company has adopted the Manual, which is aligned with the new Code of Corporate Governance for Publicly-Listed Companies issued by the SEC in November 2016.

The evaluation by the Company to measure and determine the level of compliance of the Board of Directors and top-level management with its Manual is vested by the Board of Directors in the Compliance Officer. The Compliance Officer is mandated to monitor compliance by all concerned with the provisions and requirements of the Manual. Compliance by the Board of Directors and top-level management with the Manual is evaluated based on their compliance with the policies and procedures of the Company specifically adopted for good corporate governance.

On May 29, 2018, the Company submitted its first Integrated Annual Corporate Governance Report (I-ACGR) in accordance with SEC Memorandum Circular No. 17, series of 2017. Since then, the Company has been submitting and will continue to submit its I-ACGR within the prescribed period.

Starting in the year 2021, the Company engaged an independent third party, Good Governance Advocates and Practitioners of the Philippines ("GGAPP"), an organization of governance, ethics and compliance professionals, to conduct the 2021 annual performance assessment of the Board and key officers of the Company.

In August 2023, upon the endorsement of the Corporate Governance Committee, the Board of Directors approved the creation of the Board Risk Oversight and Sustainability Committee in place of the existing Board Risk Oversight Committee. The new Committee was tasked to assist the Board in determining sustainable development policies, directions, strategies, and in fulfilling its oversight responsibilities in relation to the Company's sustainability efforts and initiatives, as well as risk management systems.

In November 2023, upon the endorsement of the newly constituted Board Risk Oversight and Sustainability Committee, the Board of Directors approved the Charter of the said Committee in place of the existing Charter and updates to the Committee's self-assessment worksheet, to reflect the additional sustainability-related duties and responsibilities of the Committee.

In 2024, the Company again engaged the services of GGAPP to conduct the 2024 annual performance assessment of the Board and key officers of the Company. It will repeat this process every three (3) years thereafter, in compliance with Recommendation 6.1 of the SEC Code of Corporate Governance for Publicly-Listed Companies, as well as Section 7.1 of the Manual, which both provide that the Board assessment should be supported by an independent third-party facilitator every three (3) years.

On August 6, 2025, the Company amended its Manual to reflect the creation of the Board Risk Oversight and Sustainability Committee (BROS) in August 2023, formerly the Board Risk Oversight Committee, including its additional sustainability-related duties and responsibilities as set out in its updated Charter. The Manual was further updated with regards to the requirement on the rotation of external auditors to observe the provisions on long association of personnel with audit clients under the Code of Ethics for Professional Accountants and other standards of the SEC pursuant to the Securities Regulation Code.

The Company certifies that for 2025, it has complied with the provisions of its Manual.

Pursuant to its commitment to good governance and business practice, the Company continues to review and strengthen its policies and procedures in order to ensure that such policies and procedures are consistent with leading practices on good corporate governance, giving due consideration to developments in the area of corporate governance, which it determines to be in the best interests of the Company and its stockholders. In this regard, the Company has been regularly recognized as one of the top-performing corporate governance practitioners in the country since 2010. From 2019 to 2024, the Company was among the recipients of "The Golden Arrow Awards", which is a part of the ASEAN Corporate Governance Scorecard ("ACGS") Program. This is given to companies who have achieved a score of at least 80 points in the ACGS thus showing above and beyond compliance with the Philippines' Code of Corporate Governance for Publicly-Listed Companies.

Please refer to the 2025 SEC I-ACGR of the Company, which shall be submitted to the SEC on or before May 30, 2026, and thereafter posted on the Company's corporate website [www.smfb.com.ph](http://www.smfb.com.ph) within five business days from submission to the SEC in compliance with SEC Memorandum Circular No. 15, series of 2017.

Please refer to the 2025 Sustainability Report of the Company attached hereto as **Annex "H"**, in accordance with SEC Memorandum Circular No. 4, series of 2019. Said 2025 Sustainability Report was approved by the Board at its regular meeting on March 10, 2026, in compliance with SEC Memorandum Circular No. 16, series of 2025.

## PART V – EXHIBITS AND SCHEDULES

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

#### (A) Exhibits

The 2025 Audited Consolidated Financial Statements and the Supplementary Schedules (including the reports of the external auditors on the Supplementary Schedules) are attached hereto as **Annex “B”**.

#### (B) Reports on SEC Form 17-C

The Report on each SEC Form 17-C filed during the last 12-month period covered by this Report is attached hereto as **Annex “G”**.

## SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code of the Philippines, this Report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on APR 07 2026.

By:

  
**RAMON S. ANG**  
Chairman

  
**JOHN PAUL L. ANG**  
President and Chief Executive Officer

  
**MONICA L. ANG-MERCADO**  
Treasurer, Chief Finance Officer,  
and Chief Risk Officer

  
**ALEXANDRA VICTORIA B. TRILLANA**  
General Counsel, Corporate Secretary  
and Compliance Officer

**SUBSCRIBED AND SWORN** to before me this 07 APR 2026 day of \_\_\_\_\_, 2026 affiants exhibiting to me their Passports, as follows:

| <u>NAME</u>                    | <u>PASSPORT NO.</u> | <u>EXPIRY DATE</u> | <u>PLACE OF ISSUE</u> |
|--------------------------------|---------------------|--------------------|-----------------------|
| Ramon S. Ang                   | P2247867B           | May 21, 2029       | Manila                |
| John Paul L. Ang               | P2247864B           | May 21, 2029       | Manila                |
| Monica L. Ang-Mercado          | P8260210B           | December 9, 2031   | Manila                |
| Alexandra Victoria B. Trillana | P1495082A           | April 13, 2028     | NCR East              |

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Series of 2026.



  
**GLOIZA RUFINA M. PLAMENCO**  
Notary Public for Pasig City  
Commission until 31 December 2026  
100 E. Rodriguez Jr. Avenue (C5 Road)  
Barangay Ugong, Pasig City 1604  
APPT No. 6 (2025-2026)/Roll No. 81205  
IBP No. INV 589968; 1/6/2026; RSM  
PTR No. 3963287AA; 1/5/2026; Pasig City  
MCLE Compliance No. VIII-0038819; 6/19/2025





## Annex “A”

### MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

This discussion summarizes the significant factors affecting the consolidated financial position, financial performance and cash flows of San Miguel Food and Beverage, Inc. (SMFB or “the Parent Company”) and its subsidiaries (collectively, referred to as the “Group”) for the three-year period ended December 31, 2025. The following discussion should be read in conjunction with the attached audited consolidated statements of financial position of the Group as at December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2025. All necessary adjustments to present fairly the Group’s consolidated financial position as at December 31, 2025, and the financial performance and cash flows for the year ended December 31, 2025 and for all the other periods presented, have been made.

#### I. BASIS OF PREPARATION

##### Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards consist of PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

##### Basis of Measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis except for the following items which are measured on an alternative basis at each reporting date:

| Items                                                                     | Measurement Basis                                                                                 |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Derivative financial instruments                                          | Fair value                                                                                        |
| Financial assets at fair value through profit or loss (FVPL)              | Fair value                                                                                        |
| Financial assets at fair value through other comprehensive income (FVOCI) | Fair value                                                                                        |
| Defined benefit retirement asset (liability)                              | Fair value of the plan assets less the present value of the defined benefit retirement obligation |
| Agricultural produce                                                      | Fair value less estimated costs to sell at the point of harvest                                   |

##### Functional and Presentation Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional currency of the Parent Company. All financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

#### Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, except for the changes in accounting policies as explained below.

The FSRSC approved the adoption of a number of new and amendments to standards as part of PFRS Accounting Standards.

#### Adoption of Amendments to Standards

A number of amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Group has not applied the said amendments in preparing these consolidated financial statements. The Group assessed that these amendments to standards are not relevant to the Group and none of these are expected to have a material impact on the Group's consolidated financial statements.

#### New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025, and have not been applied in preparing the consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to five standards, of which the following amendments are relevant to the Group:
  - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.

- Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
  - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in the statement of income; and
  - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that is unconditionally a receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, replaces PAS 1. The new standard introduces the following key requirements:
  - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
  - Management-defined performance measures are disclosed in a single note to the financial statements.
  - Enhanced guidance is provided on how to group information in the financial statements.

Consequential amendments to PAS 7, *Statement of Cash Flows*, require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

## II. FINANCIAL PERFORMANCE

### 2025 vs 2024

| (in millions)                                          | DECEMBER |          | HORIZONTAL ANALYSIS<br>INCREASE (DECREASE) |        | VERTICAL ANALYSIS |       |
|--------------------------------------------------------|----------|----------|--------------------------------------------|--------|-------------------|-------|
|                                                        | 2025     | 2024     | AMOUNT                                     | %      | 2025              | 2024  |
| SALES                                                  | 419,060  | 400,872  | 18,188                                     | 5%     | 100%              | 100%  |
| COST OF SALES                                          | 298,700  | 289,940  | 8,760                                      | 3%     | 71%               | 72%   |
| GROSS PROFIT                                           | 120,360  | 110,932  | 9,428                                      | 8%     | 29%               | 28%   |
| SELLING AND ADMINISTRATIVE EXPENSES                    | (59,320) | (55,140) | (4,180)                                    | 8%     | (14%)             | (14%) |
| OPERATING RESULTS                                      | 61,040   | 55,792   | 5,248                                      | 9%     | 15%               | 14%   |
| INTEREST EXPENSE AND OTHER FINANCING CHARGES           | (4,878)  | (4,809)  | (69)                                       | 1%     | (1%)              | (1%)  |
| INTEREST INCOME                                        | 3,653    | 3,788    | (135)                                      | (4%)   | 1%                | 1%    |
| EQUITY NET GAIN OF ASSOCIATE                           | 13       | -        | 13                                         | 100%   | 0%                | 0%    |
| GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT | 7        | 19       | (12)                                       | (63%)  | 0%                | 0%    |
| OTHER INCOME (CHARGES) - NET                           | 1,073    | (1,123)  | 2,196                                      | (196%) | 0%                | (0%)  |
| INCOME BEFORE INCOME TAX                               | 60,908   | 53,667   | 7,241                                      | 13%    | 15%               | 13%   |
| INCOME TAX EXPENSE                                     | 14,628   | 12,734   | 1,894                                      | 15%    | 3%                | 3%    |
| NET INCOME                                             | 46,280   | 40,933   | 5,347                                      | 13%    | 11%               | 10%   |
| <b>Attributable to:</b>                                |          |          |                                            |        |                   |       |
| Equity holders of the Parent Company                   | 30,128   | 25,743   | 4,385                                      | 17%    | 7%                | 6%    |
| Non-controlling interests                              | 16,152   | 15,190   | 962                                        | 6%     | 4%                | 4%    |
|                                                        | 46,280   | 40,933   | 5,347                                      | 13%    | 11%               | 10%   |

The Group delivered solid results in 2025, reflecting steady growth across its businesses.

Consolidated sales in 2025 amounted to P419,060 million, representing a 5% increase from the previous year, as all businesses posted growth compared to 2024, driven by higher volumes and effective pricing. Consolidated net income reached P46,280 million, up 13% from 2024.

#### Sales

Consolidated sales rose by 5%, from P400,872 million in 2024 to P419,060 million in 2025, driven by higher sales volumes and improved selling prices.

Sales in the Beer and NAB segment grew by 1%, from P153,362 million in 2024 to P155,437 million in 2025. Sales in the Spirits segment increased by 8%, from P62,505 million in 2024 to P67,354 million in 2025. Meanwhile, sales in the Food segment grew by 6%, from P185,016 million in 2024 to P196,280 million in 2025.

#### Cost of Sales

Consolidated cost of sales rose by 3%, from P289,940 million in 2024 to P298,700 million in 2025.

Costs in the Beer and NAB segment remained broadly flat, from P96,298 in 2024 to P96,346 in 2025. Costs in the Spirits segment rose by 5%, from P47,270 million in 2024 to P49,847 million in 2025, while costs in the Food segment increased by 4%, from P146,390 million in 2024 to P152,492 million in 2025. These increases were in line with higher sales volumes, increased manufacturing expenses, and higher excise tax rates in the Beer and NAB and Spirits segments.

#### Gross profit

Consolidated gross profit rose by 8%, from P110,932 million in 2024 to P120,360 million in 2025.

Gross profit in the Beer and NAB segment grew by 4%, from P57,064 million in 2024 to P59,091 million in 2025. Gross profit in the Spirits segment increased by 15%, from P15,235 million in 2024 to P17,507 million in 2025, while gross profit in the Food segment expanded by 13%, from P38,626 million in 2024 to P43,788 million in 2025.

These gains were driven by higher sales volumes and improved selling prices, partially offset by higher excise taxes and manufacturing costs.



#### Selling and Administrative Expenses

Consolidated selling and administrative expenses rose by 8%, from P55,140 million in 2024 to P59,320 million in 2025. Selling and administrative expenses in the Beer and NAB segment grew by 11%, from P23,642 million in 2024 to P26,234 million in 2025. Selling and administrative expenses in the Spirits segment increased by 7%, from P6,639 million in 2024 to P7,127 million in 2025, while selling and administrative expenses in the Food segment rose by 5%, from P25,325 million in 2024 to P26,473 million in 2025.

The overall increase was primarily driven by initiatives supporting volume growth, as well as costs related to newly acquired company trucks and newly built facilities, resulting in higher depreciation and manpower-related expenses.

#### Interest Expense and Other Financing Charges

Consolidated interest expense and other financing charges rose by 1%, from P4,809 million in 2024 to P4,878 million in 2025. The increase was primarily attributed to a higher average monthly loan balance in 2025 compared to previous year, as well as higher interest rates on floating-rate obligations.

#### Interest Income

Consolidated interest income was 4% lower, from P3,788 million in 2024 to P3,653 million in 2025. The decrease was mainly due to lower money market placements as compared to 2024.

#### Gain on Sale of Fixed Assets

The Group recorded a net gain on sale of fixed assets amounting to P7 million in 2025, 63% lower compared to a net gain of P19 million in 2024. The decline was primarily due to lower sales and disposals of fixed assets in 2025.

#### Other Income (Charges) - Net

The Group recognized net other income amounting to P1,073 million in 2025, compared to net other charges of P1,123 million in 2024. The improvement was driven by the overall swing, which primarily includes reversals of long-outstanding container deposits, higher tolling fees, lower casualty and closed facility losses, and the absence of prior-year impairment charges.

#### Net Income before Income Tax

As a result of the foregoing, consolidated net income before income tax rose by 13%, from P53,667 million in 2024 to P60,908 million in 2025.

#### Income Tax Expense

The consolidated income tax expense rose by 15% amounting to P14,628 million in 2025, primarily due to higher taxable income.

#### Net Income

As a result of the foregoing, the Group's consolidated net income rose by 13%, from P40,933 million in 2024 to P46,280 million in 2025. Net income of the Beer and NAB segment increased by 3%, from P25,625 million in 2024 to P26,494 million in 2025. Net income of the Spirits segment grew by 20% from P7,257 million in 2024 to P8,677 million in 2025, while net income of the Food segment increased by 38%, from P8,386 million in 2024 to P11,594 million in 2025.

#### Non-Controlling Interests

The share of non-controlling interests in the Group's net income increased by 6%, from P15,190 million in 2024 to P16,152 million in 2025, primarily due to higher net income.

#### Net Income after Tax and Non-Controlling Interests

As a result of the foregoing, the Group's consolidated net income after tax and non-controlling interests increased by 17% to P30,128 million for the year ended December 31, 2025, compared to P25,743 million for the year ended December 31, 2024. Net income after tax and non-controlling interests for the Beer and NAB segment rose by 3%, from P25,430 million in 2024 to P26,166 million in 2025. Net income after tax and non-controlling interests for the Spirits segment increased by 20%, from P7,257 million in 2024 to P8,677 million in 2025, while net income after tax and non-controlling interests for the Food segment jumped by 41%, from P7,568 million in 2024 to P10,654 million in 2025.

#### **Business Highlights for the year ended December 31, 2025**

##### Beer and NAB

The Beer and NAB segment under San Miguel Brewery Inc. (SMB) posted a 6% growth in revenue for the fourth quarter of 2025 with a 5% increase in sales volume while year-to-date December 2025 revenue increased by 1% to P155,437 million. This was primarily driven by the full year impact of the price increase implemented in the domestic operations in September 2024. Domestic operations contributed P139,086 million while international operations contributed US\$285 million.

Cost of sales increased slightly to P96,346 million, primarily due to higher excise taxes of fermented liquors in the Philippines from P43 per liter in 2024 to P45.58 per liter effective January 1, 2025. This was partially offset by favorable materials and supply costs. Domestic operations accounted for P87,969 million while international operations accounted for US\$146 million.

Selling and administrative expenses rose by 11% to P26,232 million, mainly due to higher personnel expenses, contracted services, provision for deferred containers, and increased depreciation and amortization. The higher depreciation and amortization was primarily due to PT. Delta Jakarta Tbk.'s (PTD) recognition of impairment of deferred containers based on the review and assessment of its existing bottles in trade amounting to P775 million. The resulting impairment was offset by the reversal of its corresponding container deposits amounting to P597 million, recognized as part of other income.

As a result of the foregoing, income from operations declined by 2% to P32,859 million from P33,422 million in 2024. Domestic operations generated P29,802 million while international operations contributed US\$54 million.

Interest expense and other financing charges decreased by 18%, or by P393 million, mainly due to the capitalization of interest on loans used to fund capital projects.

Impairment loss on non-current assets incurred by SMB in 2024 pertained to the impairment of San Miguel Brewery Hong Kong Limited's (SMBHK) fixed assets and spare parts.

Other income increased by P743 million to P1,227 million, primarily due to PTD's reversal of container deposits and foreign exchange gains of domestic and international operations.

Income tax expense increased by 5% to P8,288 million, reflecting higher taxable income.

Consolidated net income increased by 3% to P26,494 million, from P25,625 million in 2024. Domestic operations accounted for P23,111 million net of the P2,665 million dividends received from San Miguel Brewing International Limited (SMBIL) while international operations contributed US\$59 million.

Net income attributable to equity holders of the company increased by 3%, while net income attributable to non-controlling interests rose by 68%, primarily due to higher net income of SMBHK.

##### *Domestic Beer Operations*

Domestic revenues increased by 1% to P139,086 million, supported by improved fourth quarter revenue performance and the full year impact of the price adjustment implemented in 2024.

Operating income declined by 1% to P29,802 million, reflecting the impact of higher excise taxes, while net income decreased by 15% due to higher dividend income received from SMBIL in 2024.

### *International Beer Operations*

SMBIL reported consolidated revenues of US\$ 285 million in 2025, representing a 3% increase from US\$ 277 million in 2024. This growth was supported by a 4% increase in volumes, partially offset by an unfavorable market mix and the translation impact of weaker local currencies against the US dollar on reported revenues.

Global San Miguel brand volumes grew 5%, reflecting continued brand strength. Including local brands (i.e., beer brands owned through the subsidiaries in the relevant international markets), consolidated volumes increased by 4%, partially offset by lower sales from distribution of partner brands.

By market, South China volumes increased by 4%, supported by expanded distribution across online platforms and retail chains. Vietnam volumes for global San Miguel brands grew by 12%, driven by expansion in draught outlets and improved performance in the modern trade off-premise channel. Indonesia volumes increased by 3%, marking a recovery from the decline in the first quarter of 2025. The exports business also recorded 5% growth, supported by higher shipments to United Arab Emirates (UAE), Qatar, and Malaysia.

These gains were partially offset by lower volumes in Thailand and Hong Kong operations. Thailand volumes were marginally below 2024 as the recovery of tourism during the latter part of 2025 was offset by temporary outlet closures and postponement of events in October following the passing of the Queen of Thailand. Hong Kong volumes declined by 3% year-on-year, in line with the broader industry, reflecting increased cross-border travel to China and shifting consumer spending patterns.

SMBIL's consolidated net income reached US\$59 million in 2025, representing a 21% increase from US\$49 million in 2024. This was driven by higher volumes, lower production costs and disciplined cost management, partially offset by a one-time adjustment related to the impairment of deferred containers in Indonesia.

### Spirits

The Spirits segment under Ginebra San Miguel Inc. (GSMI) delivered a solid financial performance for the year ended December 2025. Revenues increased to P67,354 million from P62,505 million in 2024, driven by price adjustments and a modest increase in sales volume. Lower raw material costs, strengthened by diversified sourcing and enhanced recovery yields, helped improve margins, but this was partly offset by the higher excise tax rate compared to 2024. As a result, gross profit rose to P17,507 million, up 15% from P15,235 million in 2024.

Selling and marketing expenses rose to P4,338 million from P4,148 million, largely reflecting higher advertising and promotional activities aimed at supporting brand visibility and market reach.

General and administrative expenses likewise increased to P2,789 million from P2,491 million, reflecting higher depreciation charges from property acquisitions in 2025, along with higher taxes and outside services.

Other income increased to P411 million from P266 million in 2024, primarily driven by net tolling revenues, and rental income from newly acquired properties.

Income tax expense increased by 20% to P2,863 million from P2,376 million, consistent with the higher taxable income reported in 2025.

With steady revenue growth and continued cost efficiencies, GSMI reported consolidated net income of P8,677 million, up from P7,257 million in 2024.

## Food

The Food segment delivered steady growth in 2025, with consolidated revenues increasing by 6% to P196,280 million from previous year, primarily driven by volume growth across major businesses, led by the recovery of the Animal Nutrition and Health business in the second half of 2025. Stable selling prices of chicken and Prepared and Packaged Food products also contributed to topline growth.

Revenue from the Protein business, comprising poultry and fresh meats businesses, was up by 8% from the previous year. Strong demand from foodservice and supermarket channels supported the poultry business, driven by steady internal chicken supply and favorable chicken prices. On the other hand, the fresh meats business continued to operate at a scaled-down level due to the lingering impact of African Swine Fever (ASF).

The Animal Nutrition and Health business, comprising animal feeds, veterinary medicines, and pet care products, continued its upward trajectory, with revenues increasing by 4%. Favorable movements in key raw material costs enabled the business to maintain selling prices at levels supportive of livestock and poultry raisers' needs.

The Prepared and Packaged Food business, comprising processed meats, ready-to-eat and plant-based food, dairy, spreads, and coffee, reported a 7% increase in revenues, primarily driven by volume growth, stable selling prices, and improved sales mix primarily from Magnolia Inc., San Miguel Super Coffeemix Co., Inc., and the Purefoods-Hormel Company, Inc.

The Food segment's cost of sales increased by 4% to P152,492 million, in line with volume growth. The increase was also driven by higher prices of imported meat and dairy materials, as well as increased fuel and power costs, among other factors.

The Food segment's gross profit rose by 13% to P43,788 million, supported by stronger volumes, favorable selling prices, and cost relief from major raw materials.

Selling and administrative expenses increased by 5% to P26,473 million, primarily due to higher manpower and logistics costs, depreciation from new facilities, and increased spending on advertising and promotion to support and drive volume generation.

As a result of strong topline growth and prudent cost management, the Food segment recorded operating income of P17,315 million, up 30% from 2024.

## 2024 vs 2023

| (in millions)                                          | DECEMBER      |               | HORIZONTAL ANALYSIS<br>INCREASE (DECREASE) |           | VERTICAL ANALYSIS |            |
|--------------------------------------------------------|---------------|---------------|--------------------------------------------|-----------|-------------------|------------|
|                                                        | 2024          | 2023          | AMOUNT                                     | %         | 2024              | 2023       |
| SALES                                                  | 400,872       | 379,822       | 21,050                                     | 6%        | 100%              | 100%       |
| COST OF SALES                                          | 289,940       | 279,222       | 10,718                                     | 4%        | 72%               | 74%        |
| GROSS PROFIT                                           | 110,932       | 100,600       | 10,332                                     | 10%       | 28%               | 26%        |
| SELLING AND ADMINISTRATIVE EXPENSES                    | (55,140)      | (52,189)      | (2,951)                                    | 6%        | (14%)             | (14%)      |
| OPERATING RESULTS                                      | 55,792        | 48,411        | 7,381                                      | 15%       | 14%               | 13%        |
| INTEREST EXPENSE AND OTHER FINANCING CHARGES           | (4,809)       | (4,752)       | (57)                                       | 1%        | (1%)              | (1%)       |
| INTEREST INCOME                                        | 3,788         | 3,067         | 721                                        | 24%       | 1%                | 1%         |
| GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT | 19            | (2)           | 21                                         | (1050%)   | 0%                | (0%)       |
| OTHER INCOME (CHARGES) - NET                           | (1,123)       | 3,154         | (4,277)                                    | (136%)    | (0%)              | 1%         |
| INCOME BEFORE INCOME TAX                               | 53,667        | 49,878        | 3,789                                      | 8%        | 13%               | 13%        |
| INCOME TAX EXPENSE                                     | 12,734        | 11,773        | 961                                        | 8%        | 3%                | 3%         |
| <b>NET INCOME</b>                                      | <b>40,933</b> | <b>38,105</b> | <b>2,828</b>                               | <b>7%</b> | <b>10%</b>        | <b>10%</b> |
| <b>Attributable to:</b>                                |               |               |                                            |           |                   |            |
| Equity holders of the Parent Company                   | 25,743        | 23,118        | 2,625                                      | 11%       | 6%                | 6%         |
| Non-controlling interests                              | 15,190        | 14,987        | 203                                        | 1%        | 4%                | 4%         |
|                                                        | <b>40,933</b> | <b>38,105</b> | <b>2,828</b>                               | <b>7%</b> | <b>10%</b>        | <b>10%</b> |

The Group delivered a strong performance in 2024, demonstrating sustained growth across its businesses.

Consolidated sales in 2024 amounted to P400,872 million, representing a 6% increase from 2023, as all businesses achieved sales growth compared to 2023, driven by higher volumes and effective pricing strategies. Consolidated net income reached P40,933 million, reflecting a 7% increase over 2023.

#### Sales

Consolidated sales rose by 6%, from P379,822 million in 2023 to P400,872 million in 2024, driven by higher sales volumes and improved selling prices. Sales in the Beer and NAB segment grew by 4%, from P147,347 million in 2023 to P152,362 million in 2024. The Spirits segment saw a 17% increase in sales, rising from P53,639 million in 2023 to P62,505 million in 2024. Meanwhile, sales in the Food segment increased by 3%, from P178,847 million in 2023 to P185,016 million in 2024.

#### Cost of Sales

Consolidated cost of sales rose by 4%, from P279,222 million in 2023 to P289,940 million in 2024. Costs in the Beer and NAB segment rose by 4%, from P93,015 in 2023 to P96,298 in 2024. Costs in the Spirits segment increased by 16%, from P40,835 million in 2023 to P47,270 million in 2024, while costs in the Food segment grew by 1%, from P145,395 million in 2023 to P146,390 million in 2024. These cost increases aligned with higher sales volume, increased manufacturing expenses, and elevated excise tax rates in the Beer and NAB and Spirits segments.

#### Gross profit

Consolidated gross profit rose by 10%, from P100,600 million in 2023 to P110,932 million in 2024. Gross profit in the Beer and NAB segment grew by 5%, from P54,332 million in 2023 to P57,064 million in 2024. Gross profit in the Spirits segment increased by 19%, from P12,804 million in 2023 to P15,235 million in 2024, while gross profit in the Food segment expanded by 15%, from P33,452 million in 2023 to P38,626 million in 2024. These improvements were driven by higher sales volumes and increased selling prices, despite the impact of higher excise taxes and manufacturing costs.

#### Selling and Administrative Expenses

Consolidated selling and administrative expenses rose by 6%, from P52,189 million in 2023 to P55,140 million in 2024. Selling and administrative expenses in the Beer and NAB segment grew by 3%, from P22,924 million in 2023 to P23,642 million in 2024. Selling and administrative expenses in the Spirits segment increased by 11%, from P5,969 million in 2023 to P6,639 million in 2024, while selling and administrative expenses in the Food segment rose by 7%, from P23,728 million in 2023 to P25,325 million in 2024. The overall increase was primarily driven by initiatives aimed at supporting volume growth, as well as expenses related to newly-acquired company trucks and newly built facilities, resulting in higher depreciation and manpower-related costs.

#### Interest Expense and Other Financing Charges

Consolidated interest expense and other financing charges rose by 1%, from P4,752 million in 2023 to P4,809 million in 2024. The increase was primarily attributed to a higher average monthly loan balance in 2024 compared to 2023, as well as higher interest rates on floating-rate obligations.

#### Interest Income

Consolidated interest income rose by 24%, from P3,067 million in 2023 to P3,788 million in 2024. This increase was mainly due to higher money market placements with longer maturity periods and more favorable interest rates.

#### Gain (loss) on sale of fixed assets

The Group recorded a net gain on sale of fixed assets amounting to P19 million in 2024, compared to a net loss of P2 million in 2023.

#### Other Income (Charges) - Net

The Group recognized net other charges amounting to P1,123 million in 2024, compared to net other income of P3,154 million in 2023. This change was primarily due to a one-time gain recorded in 2023 from the Spirits segment's assignment of product rights, the Beer and NAB segment's Tax Credit Certificate issued by the Bureau of Internal Revenue (BIR) received in 2023 pursuant to tax refund cases, impairment losses recognized by the Beer and NAB segment in 2024 for its machinery and equipment, including related spare parts, a one-time asset write-down in the Food segment in 2024,

and higher foreign exchange and marked-to-market losses resulting from the depreciation of the peso in 2024.

#### Net Income before Income Tax

As a result of the foregoing, consolidated net income before income tax rose by 8%, from P49,878 million in 2023 to P53,667 million in 2024.

#### Income Tax Expense

The consolidated income tax expense rose by 8% amounting to P12,734 million in 2024, primarily due to higher taxable income.

#### Net Income

As a result of the foregoing, the Group's consolidated net income rose by 7%, from P38,105 million in 2023 to P40,933 million in 2024. Net income of the Beer and NAB segment increased by 1%, from P25,322 million in 2023 to P25,625 million in 2024. Net income of the Spirits segment grew by 3% from P7,046 million in 2023 to P7,257 million in 2024, while net income of the Food segment jumped by 33%, from P6,304 million in 2023 to P8,386 million in 2024.

#### Non-Controlling Interests

The share of non-controlling interests in the Group's net income increased by 1%, from P14,987 million in 2023 to P15,190 million in 2024, primarily due to the Group's higher net income.

#### Net Income after Tax and Non-Controlling Interests

As a result of the foregoing, the Group's consolidated net income after tax and non-controlling interests increased by 11% to P25,743 million for the year ended December 31, 2024, compared to P23,118 million for the year ended December 31, 2023. Net income after tax and non-controlling interests for the Beer and NAB segment rose by 3%, from P24,758 million in 2023 to P25,430 million in 2024. Net income after tax and non-controlling interests for the Spirits segment increased by 3%, from P7,046 million in 2023 to P7,257 million in 2024, while net income after tax and non-controlling interests for the Food segment jumped by 33%, from P5,681 million in 2023 to P7,568 million in 2024.

### **Business Highlights for the year ended December 31, 2024**

#### Beer and NAB

The Beer and NAB segment under SMB posted a 4% growth in revenue over 2023, reaching a total of P153,362 million. This was driven by the full-year impact of the price increase implemented in March 2023 for domestic operations, along with another price increase effective September 1, 2024. Domestic operations contributed P137,560 million, while international operations contributed US\$277 million.

Cost of sales increased by 4% or by P3,283 million, primarily due to the rise in excise taxes for fermented liquors in the Philippines, from P41 per liter in 2023 to P43 per liter, effective January 1, 2024. Domestic operations accounted for P88,026 million, while international operations accounted for US\$145 million.

As a result, income from operations rose by 6% from P31,408 million to P33,422 million. Domestic operations contributed P30,054 million, while international operations contributed US\$59 million.

Interest income increased by 9% with higher interest rates for both domestic and international operations.

Impairment loss on noncurrent assets pertained to the impairment of fixed assets and spare parts of SMBHK.

Other income in 2023 was higher due to the recognition of a Tax Credit Certificate issued by the BIR for the 2012 San Mig Light tax case.

Income tax expense increased by 6%, or P455 million, due to higher taxable income.

As a result of the above, consolidated net income increased by 1% from P25,322 million to P25,625 million. Domestic operations contributed P22,856 million, while international operations contributed US\$49 million.

#### *Domestic Beer Operations*

Domestic operations, including exports production allocated to the Philippines, accounted for 90% of total revenue, or P137,560 million, representing a 4% increase from 2023. This growth was driven by higher selling prices and improved sales volume. The increase in volume was supported by demand-generation initiatives and volume growth programs aimed at boosting offtake.

Income from operations grew by 7%, reaching P30,054 million compared to 2023. Net income for 2024 amounted to P30,233 million, reflecting a 38% increase from P21,954 million in 2023.

#### *International Beer Operations*

SMBIL reported consolidated revenues of US\$277 million for 2024, reflecting a slight decline from the US\$281 million reported in 2023. The decrease was primarily due to slightly lower volumes, an unfavorable sales mix, and the appreciation of the United States dollar against most local currencies.

Nevertheless, SMBIL's global San Miguel brand volumes continued to perform well, growing 7% year-over-year. However, consolidated volumes, which include local brands (i.e., subsidiary-owned beer brands in international markets) but exclude additional exports production allocated to the Philippines, declined slightly by 0.6%. The strong growth of San Miguel's global brands was offset by weaker sales of local and partner brands. When including additional export volumes allocated to the Philippines, SMBIL's consolidated volume would have reflected a 2% increase compared to 2023.

In South China, volumes rose 3%, driven by stronger sales in the retail chains and wholesaler channels. In Vietnam, global San Miguel brands grew by 14%, fueled by the expansion of on-premise outlets and stronger sales in the modern trade off-premise channels. Exports volumes also increased by 9%, supported by higher sales in the UAE, Canada, New Zealand, Malaysia, and other markets across Asia and the Middle East.

However, these gains were partly offset by the volume decline in the Hong Kong, Thailand, and Indonesia operations. In Thailand, the drop was attributed to weaker demand in the Bangkok region and lower sales in the modern trade off-premise channel. In Hong Kong, volumes declined in line with the overall contraction of the beer industry and the continued increase in outbound tourism, particularly to Mainland China. In Indonesia, the local Anker Bir brand saw a decline due to intensified competition in the wholesaler channel.

Despite the slight revenue drop, SMBIL's consolidated operating income for 2024 reached US\$59 million, slightly higher than the US\$58.7 million recorded in 2023. This was driven by favorable margins and effective management of fixed costs.

#### Spirits

The Spirits segment under GSML demonstrated robust performance, with revenues reaching P62,505 million, a 17% increase from P53,639 million in 2023, driven by the overall volume growth and price increases. This revenue growth was accompanied by a 16% rise in the cost of sales amounting to P47,270 million compared to P40,835 million in 2023, primarily due to higher excise tax and input costs.

Selling and administrative expenses increased by 11% to P6,639 million, up from P5,969 million in 2023, mainly due to higher advertising and promotion expenses, delivery and marketing costs, and personnel expenses.

Interest expense and other financing charges rose significantly by 36%, from P61 million in 2023 to P83 million in 2024, driven by higher interest expense on defined benefit obligation.

Conversely, interest income posted a substantial increase of 55%, rising from P552 million in 2023 to P854 million in 2024, due to higher yields on money market placements.

Other income (charges) - net experienced a significant decline of 87%, from P2,038 million in 2023 to P266 million in 2024, due to a one-time income from the sale of rights recorded in 2023.

With the sustained revenue growth combined with effective cost management, GSML's consolidated net income for 2024 reached P7,257 million, representing a 3% increase from P7,046 million in 2023.

#### Food

The Food segment maintained strong topline performance, registering consolidated revenues of P185,016 million for the full year 2024, 3% higher than 2023's level. Revenue growth was boosted by strong volume growth across most businesses, coupled with the favorable selling prices of Prepared and Packaged Food products and the sustained recovery of chicken prices from second quarter of 2024.

Revenue of the Protein business, comprised of poultry and fresh meats, was up by 7% from 2023, as the poultry business delivered higher volumes. Selling prices of chicken also improved as the industry inventory of imported frozen chicken decreased. Meanwhile, resurgence of ASF in several provinces continued to hamper plans for hog repopulation efforts, affecting revenue growth in the fresh meats business.

The Animal Nutrition and Health business, comprised of animal feeds, pet care products, and veterinary medicines, recorded revenues 8% lower than 2023 level. Hog feed sales remained affected by ASF-induced industry depopulation, while unfavorable chicken prices in the first quarter of 2024 led to limited farm loading, resulting in lower demand for broiler feeds. Additionally, competitive pricing strategies aimed at preserving market share, supported by lower input costs, contributed to the lower revenue performance.

Revenue of the Prepared and Packaged Food business, comprised of processed meats, ready-to-eat and plant-based food, dairy, spreads, and coffee, increased 12% compared to full year 2023. This growth was driven by higher sales volumes and improved selling prices.

The Food segment's cost of sales amounted to P146,390 million, increasing at a slower pace of 1% compared to the same period in 2023. Sustained cost reductions in most major raw materials, such as corn, soybean meal, feed wheat, imported beef, and chicken meat, along with enhanced operational efficiencies enabled by the company-owned facilities, helped cushion the impact of increased sales volume.

The Food segment's gross profit rose to P38,626 million, 15% higher than 2023's level, driven by higher volumes sold at lower costs of major raw materials, and favorable selling prices.

Selling and administrative expenses increased by 7%, reaching P25,325 million, mainly due to higher manpower requirements to support expansion, the implementation of government-mandated wage hikes, increased logistics costs, and higher spending on advertising and promotion to drive volume growth.

As a result, the Food segment's operating income rose to P13,301 million, up 37% from 2023, marking a significant improvement over full-year 2023 operating results.



### III. FINANCIAL POSITION

#### 2025 vs 2024

|                                                                    | December       | December       | Horizontal Analysis |              | Vertical Analysis |             |
|--------------------------------------------------------------------|----------------|----------------|---------------------|--------------|-------------------|-------------|
| (in millions)                                                      | 2025           | 2024           | Increase (Decrease) |              | 2025              | 2024        |
|                                                                    |                |                | Amount              | %            |                   |             |
| <b>ASSETS</b>                                                      |                |                |                     |              |                   |             |
| <b>Current Assets</b>                                              |                |                |                     |              |                   |             |
| Cash and cash equivalents                                          | 64,506         | 58,221         | 6,285               | 11%          | 17%               | 15%         |
| Trade and other receivables - net                                  | 29,891         | 29,456         | 435                 | 1%           | 8%                | 8%          |
| Inventories                                                        | 43,659         | 47,582         | (3,923)             | (8%)         | 11%               | 13%         |
| Current portion of biological assets - net                         | 3,074          | 3,241          | (167)               | (5%)         | 1%                | 1%          |
| Prepaid expenses and other current assets                          | 4,946          | 5,506          | (560)               | (10%)        | 1%                | 1%          |
| Assets held for sale                                               | 186            | 186            | -                   | 0%           | 0%                | 0%          |
| <b>Total Current Assets</b>                                        | <b>146,262</b> | <b>144,192</b> | <b>2,070</b>        | <b>1%</b>    | <b>38%</b>        | <b>38%</b>  |
| <b>Noncurrent Assets</b>                                           |                |                |                     |              |                   |             |
| Investments - net                                                  | 18,672         | 17,388         | 1,284               | 7%           | 5%                | 5%          |
| Property, plant and equipment - net                                | 136,768        | 128,590        | 8,178               | 6%           | 35%               | 34%         |
| Right-of-use assets - net                                          | 4,814          | 4,923          | (109)               | (2%)         | 1%                | 1%          |
| Investment property - net                                          | 4,304          | 3,576          | 728                 | 20%          | 1%                | 1%          |
| Biological assets - net of current portion                         | 2,661          | 2,652          | 9                   | 0%           | 1%                | 1%          |
| Goodwill - net                                                     | 996            | 996            | -                   | 0%           | 0%                | 0%          |
| Other intangible assets - net                                      | 39,816         | 39,665         | 151                 | 0%           | 10%               | 11%         |
| Deferred tax assets                                                | 3,377          | 3,657          | (280)               | (8%)         | 1%                | 1%          |
| Other noncurrent assets - net                                      | 31,637         | 31,467         | 170                 | 1%           | 8%                | 8%          |
| <b>Total Noncurrent Assets</b>                                     | <b>243,045</b> | <b>232,914</b> | <b>10,131</b>       | <b>4%</b>    | <b>62%</b>        | <b>62%</b>  |
| <b>Total Assets</b>                                                | <b>389,307</b> | <b>377,106</b> | <b>12,201</b>       | <b>3%</b>    | <b>100%</b>       | <b>100%</b> |
| <b>LIABILITIES AND EQUITY</b>                                      |                |                |                     |              |                   |             |
| <b>Current Liabilities</b>                                         |                |                |                     |              |                   |             |
| Loans payable                                                      | 14,346         | 17,103         | (2,757)             | (16%)        | 4%                | 5%          |
| Trade payables and other current liabilities                       | 74,542         | 76,416         | (1,874)             | (2%)         | 19%               | 20%         |
| Lease liabilities - current portion                                | 727            | 735            | (8)                 | (1%)         | 0%                | 0%          |
| Income and other taxes payable                                     | 11,369         | 10,035         | 1,334               | 13%          | 3%                | 3%          |
| Dividends payable                                                  | 111            | 89             | 22                  | 25%          | 0%                | 0%          |
| Current maturities of long-term debt - net of debt issue costs     | 19,174         | 12,328         | 6,846               | 56%          | 5%                | 3%          |
| <b>Total Current Liabilities</b>                                   | <b>120,269</b> | <b>116,706</b> | <b>3,563</b>        | <b>3%</b>    | <b>31%</b>        | <b>31%</b>  |
| <b>Noncurrent Liabilities</b>                                      |                |                |                     |              |                   |             |
| Long-term debt – net of current maturities and debt issue costs    | 61,626         | 67,652         | (6,026)             | (9%)         | 16%               | 18%         |
| Deferred tax liabilities                                           | 31             | 23             | 8                   | 35%          | 0%                | 0%          |
| Lease liabilities – net of current portion                         | 4,865          | 4,864          | 1                   | 0%           | 1%                | 1%          |
| Other noncurrent liabilities                                       | 5,773          | 7,672          | (1,899)             | (25%)        | 1%                | 2%          |
| <b>Total Noncurrent Liabilities</b>                                | <b>72,295</b>  | <b>80,211</b>  | <b>(7,916)</b>      | <b>(10%)</b> | <b>19%</b>        | <b>21%</b>  |
| <b>Equity</b>                                                      |                |                |                     |              |                   |             |
| Capital stock                                                      | 6,251          | 6,251          | -                   | 0%           | 2%                | 2%          |
| Additional paid-in capital                                         | 366,620        | 366,620        | -                   | 0%           | 94%               | 97%         |
| Equity adjustments from common control transactions                | (327,793)      | (327,793)      | -                   | 0%           | (84%)             | (87%)       |
| Equity reserves                                                    | (1,414)        | (1,711)        | 297                 | (17%)        | (0%)              | (0%)        |
| Retained earnings:                                                 |                |                |                     |              |                   |             |
| Appropriated                                                       | 46,807         | 45,375         | 1,432               | 3%           | 12%               | 12%         |
| Unappropriated                                                     | 68,194         | 57,551         | 10,643              | 18%          | 18%               | 15%         |
| Treasury stock                                                     | (30,182)       | (30,182)       | -                   | 0%           | (8%)              | (8%)        |
| <b>Equity Attributable to Equity Holders of the Parent Company</b> | <b>128,483</b> | <b>116,111</b> | <b>12,372</b>       | <b>11%</b>   | <b>33%</b>        | <b>31%</b>  |
| <b>Non-controlling Interests</b>                                   | <b>68,260</b>  | <b>64,078</b>  | <b>4,182</b>        | <b>7%</b>    | <b>18%</b>        | <b>17%</b>  |
| <b>Total Equity</b>                                                | <b>196,743</b> | <b>180,189</b> | <b>16,554</b>       | <b>9%</b>    | <b>51%</b>        | <b>48%</b>  |
| <b>Total Liabilities and Equity</b>                                | <b>389,307</b> | <b>377,106</b> | <b>12,201</b>       | <b>3%</b>    | <b>100%</b>       | <b>100%</b> |

Consolidated total assets as of December 31, 2025, amounted to P389,307 million, representing a 3% or P12,201 million increase compared to December 31, 2024 level. The increase was primarily driven by higher ending cash, investments, as well as the Group's expansion projects.

Consolidated total liabilities as of December 31, 2025, amounted to P192,564 million, which is 2% or P4,353 million lower than the level as of December 31, 2024. The decrease was mainly due to lower loans payable, trade payables and other current liabilities, and other noncurrent liabilities.

Inventories decreased by 8%, or by P3,923 million, mainly due to the Food segment's strategic planning changes and the closure of some external warehouses. The logistics and planning teams have agreed to maintain minimal stock levels, ensuring adequate supply for plant operation while reducing excess inventory.

Prepaid expenses and other current assets decreased by 10%, or by P560 million, mainly due to the Beer and NAB segment's lower excise tax requirement as of December 31, 2025, compared to December 31, 2024, the usage of the San Mig Light Tax Credit Certificate from the tax refund case, and utilization of tax credits.

Investments increased by 7% or by P1,284 million, mainly due to purchased shares of stocks equivalent to 15% equity interest of an associate.

Property, plant, and equipment increased by 6%, or by P8,178 million, primarily due to expansion projects in the Food and Beer and NAB segments.

Investment property increased by 20% or by P728 million, mainly due to acquired condominium units being rented out as office space.

Deferred tax assets decreased by 8%, or by P280 million, mainly due to derecognition on allowance for inventory losses and NOLCO.

Notes payable decreased by 16%, or by P2,757 million, mainly due to the Food segment's lower loan availment as compared to previous year.

Income and other taxes payable increased by 13% or by P1,334 million, generally due to higher income taxes and value added tax payable affected by higher revenue.

Dividends payable increased by 25%, or by P22 million, mainly due to unclaimed dividends resulting from dividends declared during the year.

Deferred tax liabilities increased by 35% or by P8 million, mainly related to movement in retirement obligation and unrealized foreign exchange movement.

Other noncurrent liabilities decreased by 25%, or by P1,899 million, mainly due to the reclassification to current liabilities.

Consolidated total equity as of December 31, 2025, amounted to P196,743 million, reflecting a 9% or P16,554 million increase compared to December 31, 2024 level. The increase was primarily driven by net income amounting to P46,280 million, which was partially offset by the dividends declared by the Group amounting to P30,311 million.

## 2024 vs 2023

| (in millions)                                                      | December<br>2024 | December<br>2023 | Horizontal Analysis<br>Increase (Decrease) |             | Vertical Analysis |             |
|--------------------------------------------------------------------|------------------|------------------|--------------------------------------------|-------------|-------------------|-------------|
|                                                                    |                  |                  | Amount                                     | %           | 2024              | 2023        |
| <b>ASSETS</b>                                                      |                  |                  |                                            |             |                   |             |
| <b>Current Assets</b>                                              |                  |                  |                                            |             |                   |             |
| Cash and cash equivalents                                          | 58,221           | 57,007           | 1,214                                      | 2%          | 15%               | 16%         |
| Trade and other receivables - net                                  | 29,456           | 25,869           | 3,587                                      | 14%         | 8%                | 7%          |
| Inventories                                                        | 47,582           | 43,096           | 4,486                                      | 10%         | 13%               | 12%         |
| Current portion of biological assets - net                         | 3,241            | 3,515            | (274)                                      | (8%)        | 1%                | 1%          |
| Prepaid expenses and other current assets                          | 5,506            | 6,216            | (710)                                      | (11%)       | 1%                | 2%          |
| Assets held for sale                                               | 186              | 186              | -                                          | 0%          | 0%                | 0%          |
| <b>Total Current Assets</b>                                        | <b>144,192</b>   | <b>135,889</b>   | <b>8,303</b>                               | <b>6%</b>   | <b>38%</b>        | <b>38%</b>  |
| <b>Noncurrent Assets</b>                                           |                  |                  |                                            |             |                   |             |
| Investments - net                                                  | 17,388           | 17,128           | 260                                        | 2%          | 5%                | 5%          |
| Property, plant and equipment - net                                | 128,590          | 118,000          | 10,590                                     | 9%          | 34%               | 33%         |
| Right-of-use assets - net                                          | 4,923            | 4,633            | 290                                        | 6%          | 1%                | 1%          |
| Investment property - net                                          | 3,576            | 3,537            | 39                                         | 1%          | 1%                | 1%          |
| Biological assets - net of current portion                         | 2,652            | 2,667            | (15)                                       | (1%)        | 1%                | 1%          |
| Goodwill - net                                                     | 996              | 996              | -                                          | 0%          | 0%                | 0%          |
| Other intangible assets - net                                      | 39,665           | 39,444           | 221                                        | 1%          | 11%               | 11%         |
| Deferred tax assets                                                | 3,657            | 3,209            | 448                                        | 14%         | 1%                | 1%          |
| Other noncurrent assets - net                                      | 31,467           | 30,272           | 1,195                                      | 4%          | 8%                | 9%          |
| <b>Total Noncurrent Assets</b>                                     | <b>232,914</b>   | <b>219,886</b>   | <b>13,028</b>                              | <b>6%</b>   | <b>62%</b>        | <b>62%</b>  |
| <b>Total Assets</b>                                                | <b>377,106</b>   | <b>355,775</b>   | <b>21,331</b>                              | <b>6%</b>   | <b>100%</b>       | <b>100%</b> |
| <b>LIABILITIES AND EQUITY</b>                                      |                  |                  |                                            |             |                   |             |
| <b>Current Liabilities</b>                                         |                  |                  |                                            |             |                   |             |
| Loans payable                                                      | 17,103           | 14,684           | 2,419                                      | 16%         | 5%                | 4%          |
| Trade payables and other current liabilities                       | 76,416           | 65,288           | 11,128                                     | 17%         | 20%               | 18%         |
| Lease liabilities - current portion                                | 735              | 418              | 317                                        | 76%         | 0%                | 0%          |
| Income and other taxes payable                                     | 10,035           | 9,668            | 367                                        | 4%          | 3%                | 3%          |
| Dividends payable                                                  | 89               | 79               | 10                                         | 13%         | 0%                | 0%          |
| Current maturities of long-term debt - net of debt issue costs     | 12,328           | 12,871           | (543)                                      | (4%)        | 3%                | 4%          |
| <b>Total Current Liabilities</b>                                   | <b>116,706</b>   | <b>103,008</b>   | <b>13,698</b>                              | <b>13%</b>  | <b>31%</b>        | <b>29%</b>  |
| <b>Noncurrent Liabilities</b>                                      |                  |                  |                                            |             |                   |             |
| Long-term debt – net of current maturities and debt issue costs    | 67,652           | 69,939           | (2,287)                                    | (3%)        | 18%               | 20%         |
| Deferred tax liabilities                                           | 23               | 26               | (3)                                        | (12%)       | 0%                | 0%          |
| Lease liabilities – net of current portion                         | 4,864            | 4,758            | 106                                        | 2%          | 1%                | 1%          |
| Other noncurrent liabilities                                       | 7,672            | 8,929            | (1,257)                                    | (14%)       | 2%                | 3%          |
| <b>Total Noncurrent Liabilities</b>                                | <b>80,211</b>    | <b>83,652</b>    | <b>(3,441)</b>                             | <b>(4%)</b> | <b>21%</b>        | <b>24%</b>  |
| <b>Equity</b>                                                      |                  |                  |                                            |             |                   |             |
| Capital stock                                                      | 6,251            | 6,251            | -                                          | 0%          | 2%                | 2%          |
| Additional paid-in capital                                         | 366,620          | 366,620          | -                                          | 0%          | 97%               | 103%        |
| Equity adjustments from common control transactions                | (327,793)        | (327,793)        | -                                          | 0%          | (87%)             | (92%)       |
| Equity reserves                                                    | (1,711)          | (2,094)          | 383                                        | (18%)       | (0%)              | (1%)        |
| Retained earnings:                                                 |                  |                  |                                            |             |                   |             |
| Appropriated                                                       | 45,375           | 45,392           | (17)                                       | (0%)        | 12%               | 13%         |
| Unappropriated                                                     | 57,551           | 50,996           | 6,555                                      | 13%         | 15%               | 14%         |
| Treasury stock                                                     | (30,182)         | (30,182)         | -                                          | 0%          | (8%)              | (8%)        |
| <b>Equity Attributable to Equity Holders of the Parent Company</b> | <b>116,111</b>   | <b>109,190</b>   | <b>6,921</b>                               | <b>6%</b>   | <b>31%</b>        | <b>31%</b>  |
| <b>Non-controlling Interests</b>                                   | <b>64,078</b>    | <b>59,925</b>    | <b>4,153</b>                               | <b>7%</b>   | <b>17%</b>        | <b>17%</b>  |
| <b>Total Equity</b>                                                | <b>180,189</b>   | <b>169,115</b>   | <b>11,074</b>                              | <b>7%</b>   | <b>48%</b>        | <b>48%</b>  |
| <b>Total Liabilities and Equity</b>                                | <b>377,106</b>   | <b>355,775</b>   | <b>21,331</b>                              | <b>6%</b>   | <b>100%</b>       | <b>100%</b> |

Consolidated total assets as of December 31, 2024, amounted to P377,106 million, representing a 6% or P21,331 million increase compared to December 31, 2023 level. The increase was primarily driven by higher ending cash and receivable levels, as well as the Group's expansion projects.

Consolidated total liabilities as of December 31, 2024, amounted to P196,917 million, which is 5% or P10,257 million higher than the level as of December 31, 2023. The increase was mainly due to higher trade payables and other current liabilities.

Trade and other receivables increased by 14%, or by P3,587 million, due to higher sales and increased credit availment from dealers.

Inventories increased by 10%, or by P4,486 million, mainly due to the higher level of materials, supplies, and finished goods inventory.

Prepaid expenses and other current assets decreased by 11%, or by P710 million, due to lower input tax balance at year-end 2024 and the utilization of tax credits, partially offset by higher excise tax requirements.

Property, plant, and equipment increased by 9%, or by P10,590 million, primarily due to expansion projects in the Food and Beer and NAB segments.

Right-of-use assets increased by 6%, or by P290 million, mainly due to leases qualified under PFRS 16.

Deferred tax assets increased by 14%, or by P448 million, mainly due to the adjustment on retirement costs of the Group based on latest actuarial valuation report of retirement plans.

Notes payable increased by 16%, or by P2,419 million, mainly due to additional loan availments by the Food segment, partially offset by loan settlements in the Spirits segment.

Trade and other current liabilities increased by 17%, or by P11,128 million, primarily due to higher purchases of raw materials and the acquisition of fixed assets for various expansion projects.

Lease liabilities increased by 8%, or by P423 million, due to equivalent increases in leases qualified under PFRS 16.

Dividends payable increased by 13%, or by P10 million, mainly due to higher unclaimed dividends resulting from higher dividends declared during the year.

Other noncurrent liabilities decreased by 14%, or by P1,257 million, mainly due to the reclassification to current liabilities.

Consolidated total equity as of December 31, 2024, amounted to P180,189 million, reflecting a 7% or P11,074 million increase compared to December 31, 2023 level. The increase was primarily driven by net income amounting to P40,933 million, which was partially offset by the dividends declared by the Group amounting to P30,825 million.

#### IV. SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

| <i>(in Millions)</i>                            | December 31 |          |          |
|-------------------------------------------------|-------------|----------|----------|
|                                                 | 2025        | 2024     | 2023     |
| Net cash flows provided by operating activities | P64,876     | P58,143  | P71,304  |
| Net cash flows used in investing activities     | (25,615)    | (25,439) | (27,606) |
| Net cash flows used in financing activities     | (33,155)    | (32,080) | (27,751) |

Net cash from operations basically consisted of income for the period and changes in non-cash current assets, certain current liabilities, and others.

Net cash used in investing activities include the following:

|                                                                                 | December 31 |           |           |
|---------------------------------------------------------------------------------|-------------|-----------|-----------|
| <i>(in Millions)</i>                                                            | <b>2025</b> | 2024      | 2023      |
| Additions to investments, property, plant and equipment and investment property | (P16,684)   | (P16,688) | (P15,748) |
| Increase in biological assets, intangible assets and other noncurrent assets    | (12,731)    | (12,612)  | (15,069)  |
| Interest received                                                               | 3,627       | 3,690     | 2,937     |
| Dividends received                                                              | 145         | 145       | 139       |
| Proceeds from sale of investments and property and equipment                    | 28          | 26        | 135       |

Net cash used in financing activities consist of the following:

|                                                                | December 31 |           |           |
|----------------------------------------------------------------|-------------|-----------|-----------|
| <i>(in Millions)</i>                                           | <b>2025</b> | 2024      | 2023      |
| Proceeds from short-term and long-term borrowings              | P181,919    | P314,749  | P232,332  |
| Payments of short-term and long-term borrowings                | (183,963)   | (315,285) | (234,254) |
| Cash dividends paid                                            | (30,289)    | (30,815)  | (26,378)  |
| Payments of lease liabilities                                  | (741)       | (745)     | (520)     |
| Share issuance costs                                           | (28)        | (3)       | (1)       |
| Increase (decrease) in other noncurrent liabilities and others | (53)        | 19        | 1,070     |

The effect of exchange rate changes on cash and cash equivalents amounted to P179 million, P590 million, and (P39) million for the periods ended December 31, 2025, 2024, and 2023, respectively.

## V. ADDITIONAL INFORMATION ON UNAPPROPRIATED RETAINED EARNINGS

The unappropriated retained earnings of the Parent Company as of December 31, 2025 and 2024 are restricted in the amount of P182 million, representing the cost of common shares held in treasury.

The Group's unappropriated retained earnings include accumulated earnings in subsidiaries, which are not available for declaration as dividends until declared by the respective investees.

## VI. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data as of the periods indicated below.

| KPI                                                                           | As of December 31, 2025 | As of December 31, 2024 |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|
| Liquidity:                                                                    |                         |                         |
| Current Ratio                                                                 | 1.22                    | 1.24                    |
| Quick Ratio                                                                   | 0.79                    | 0.75                    |
| Solvency:                                                                     |                         |                         |
| Debt to Equity Ratio                                                          | 0.98                    | 1.09                    |
| Asset to Equity Ratio                                                         | 1.98                    | 2.09                    |
| Profitability:                                                                |                         |                         |
| Return on Average Equity Attributable to Equity Holders of the Parent Company | 24.64%                  | 22.85%                  |
| Interest Rate Coverage Ratio                                                  | 13.49                   | 12.16                   |
| Return on Assets                                                              | 12.08%                  | 11.17%                  |

|                       | For the Year Ended December 31, 2025 | For the Year Ended December 31, 2024 |
|-----------------------|--------------------------------------|--------------------------------------|
| Operating Efficiency: |                                      |                                      |
| Volume Growth         | 0.50%                                | 2.00%                                |
| Revenue Growth        | 4.54%                                | 5.54%                                |
| Operating Margin      | 14.57%                               | 13.92%                               |

The manner by which the Group calculates the above indicators is as follows:

| KPI                                                                           | Formula                                                                                                                                                            |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Ratio                                                                 | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$                                                                                                         |
| Quick Ratio                                                                   | $\frac{\text{Current Assets} - \text{Inventory} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$                   |
| Debt to Equity Ratio                                                          | $\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$                                                                                            |
| Asset to Equity Ratio                                                         | $\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$                                                                                                 |
| Return on Average Equity Attributable to Equity Holders of the Parent Company | $\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}^*}{\text{Average Equity Attributable to Equity Holders of the Parent Company}^{**}}$ |
| Interest Rate Coverage Ratio                                                  | $\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$                                                           |
| Return on Assets                                                              | $\frac{\text{Net Income}}{\text{Average Total Assets}}$                                                                                                            |
| Volume Growth                                                                 | $\left( \frac{\text{Sum of all Businesses' Sales at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$                                              |
| Revenue Growth                                                                | $\left( \frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$                                                                         |
| Operating Margin                                                              | $\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$                                                                                                 |

\* Excluding cash dividends paid to preferred shareholders

\*\* Excluding preferred capital stock and related additional paid-in capital

## VII. OTHER MATTERS

### a) Commitments

The Group's outstanding purchase commitments as of December 31, 2025 and 2024 amounted to P87,234 million and P94,986 million, respectively.

- b) There are no unusual items in terms of nature or amount that affect assets, liabilities, equity, net income, or cash flows, except for those mentioned in the Management's Discussion and Analysis of Financial Position and Financial Performance.
- c) There were no material changes in estimates of amounts reported in prior interim periods of the current year, nor were there material changes in estimates of amounts reported in prior financial years.
- d) There were no known trends, demands, commitments, events, or uncertainties that would have a material impact on the Group's liquidity. The Group does not anticipate any cash flow or liquidity issues within the next 12 months. Additionally, the Group was not in default or breach in any material respect of any note, loan, lease, or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that remained unpaid within the stated trade terms.
- e) There were no known trends, events, or uncertainties expected to have a favorable or unfavorable impact on net sales, revenues, or income from continuing operation.
- f) There were no known events that would trigger a direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

Additionally, there were no material changes in contingent liabilities and contingent assets, except for Note 38 of the Audited Consolidated Financial Statements as at December 31, 2025.

- g) There are no significant elements of income or loss that did not arise from continuing operations.
- h) Sales are affected by seasonality of customer purchasing patterns. In the Philippines, food and alcoholic beverages, including those produced by the Group, generally experience increased sales during the Christmas season. Additionally, alcoholic beverages see higher sales during the summer season, which typically slow down in the third quarter due to rainy weather. As a result, performance for any given quarter is not necessarily indicative of what may be expected for other quarters or the entire year, and the Group's financial condition and results of operations may fluctuate significantly from quarter to quarter.
- i) There were no material off-balance-sheet transactions, arrangements, obligations (including contingent obligations), or other relationships with unconsolidated entities or other parties created during the reporting period.



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of San Miguel Food and Beverage, Inc. (the "Company") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

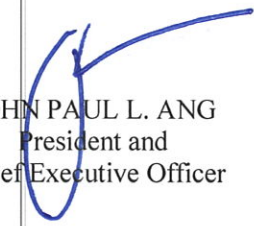
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

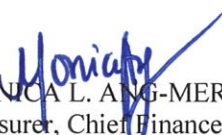
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

R.G. Manabat & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
RAMON S. ANG  
Chairman

  
JOHN PAUL L. ANG  
President and  
Chief Executive Officer

  
MONICA L. ANG-MERCADO  
Treasurer, Chief Finance Officer  
and Chief Risk Officer

Signed this 10<sup>th</sup> day of March 2026



ACKNOWLEDGEMENT

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

Before me, a Notary Public for and in **PASIG CITY** City this 07 APR 2026  
day of \_\_\_\_\_ 2026, personally appeared:

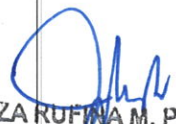
| <u>Name</u>           | <u>Passport No.</u> | <u>Expiry Date/Place Issued</u> |
|-----------------------|---------------------|---------------------------------|
| Ramon S. Ang          | P2247867B           | May 21, 2029 / Manila           |
| John Paul L. Ang      | P2247864B           | May 21, 2029 / Manila           |
| Monica L. Ang-Mercado | P8260210B           | December 9, 2031/ Manila        |

Known to me to be the same persons who executed the foregoing Statement of Management's Responsibility consisting of two (2) pages including this page on which this acknowledgement is written and that they acknowledged to me that the same is their free and voluntary act and deed and that of the principals they represent.

In WITNESS WHEREOF, I have affixed my notarial seal at the date and place first above written.

Doc. No. 277 ;  
Page No. 57 ;  
Book No. III ;  
Series of 2026.



  
**GLOIZA RUFINA M. PLAMENCO**  
Notary Public for Pasig City  
Commission until 31 December 2026  
100 E. Rodriguez Jr. Avenue (C5 Road)  
Barangay Ugong, Pasig City 1604  
APPT No. 6 (2025-2026)/Roll No. 81205  
IBP No. INV 589968; 1/6/2026; RSM  
PTR No. 3963287AA; 1/5/2026; Pasig City  
MCLE Compliance No. VIII-0038819; 6/19/2026



**SAN MIGUEL FOOD AND  
BEVERAGE, INC. AND  
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025, 2024 and 2023**

With Independent Auditors' Report

# R.G. Manabat & Co.



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
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Internet [www.home.kpmg/ph](http://www.home.kpmg/ph)  
Email [ph-inquiry@kpmg.com](mailto:ph-inquiry@kpmg.com)

## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders  
**San Miguel Food and Beverage, Inc.**  
40 San Miguel Avenue,  
Mandaluyong City

### *Opinion*

We have audited the consolidated financial statements of San Miguel Food and Beverage, Inc. and its subsidiaries (the “Group”), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### *Basis for Opinion*

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

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025  
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029  
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

## Key Audit Matters

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

*Impairment Testing of Trademarks, Brand Names and License (P39,589 million)*  
Refer to Note 16 to the consolidated financial statements.

### *The risk*

The Group has assessed that the trademarks, brand names and license have indefinite useful lives considering that there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the Group. Trademark, brand names and license represent 10% of the consolidated total assets of the Group. As required by Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, impairment testing is required annually for intangible assets with indefinite useful lives, irrespective of whether there is an indication that the related assets may be impaired.

We focused on this area because of the subjectivity and complexity of determining the recoverable amounts which involve significant estimation uncertainty. As a result, we assessed that the impairment testing is a key audit matter.

### *Our response*

Our audit work over the valuation of trademarks, brand names and license included the following:

- We evaluated and assessed the methodology applied in the impairment review in accordance with PAS 36.
- We have updated our understanding of the management's annual impairment process.
- We evaluated the appropriateness of forecast cash flows prepared by management and consider the historical accuracy of management forecast by comparing prior year forecast to actual results.
- We challenged the Group's key assumptions for long-term growth rates in the forecasts by comparing them with historical results, economic and industry forecasts; and the Group's discount rate used in calculating the weighted average cost of capital using market comparable information. We have performed a range of sensitivity analysis to assess the impact of reasonably possible changes in key assumptions used by management. We have involved our own valuation specialists in the testing and evaluation of these key assumptions.
- We have also assessed the appropriateness and adequacy of the presentation and the relevant disclosures in the consolidated financial statements.

## *Revenue Recognition (P419,015 million)*

Refer to Notes 6, 22 and 30 to the consolidated financial statements.

### *The risk*

Revenue is an important measure used to evaluate the performance of the Group and is generated from various sources. It is accounted for when control of the goods or services is transferred to the customer over time or at a point in time, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. While revenue recognition and measurement are not complex for the Group, revenues may be inappropriately recognized in order to improve business results and achieve revenue growth in line with the objectives of the Group, thus increasing the risk of material misstatement from recording of fictitious sales or recording of sales made in the subsequent accounting period.

### *Our response*

We performed the following audit procedures, among others, on revenue recognition:

- We evaluated and assessed the revenue recognition policies of the Group in accordance with PFRS 15, *Revenue from Contracts with Customers*.
- We evaluated and assessed the design and operating effectiveness of the key controls over the revenue process.
- We involved our information technology specific team members, as applicable, to assist in the audit of automated controls, including interface controls among different information technology applications for the evaluation of the design and operating effectiveness of controls over the recording of revenue transactions.
- We examined and traced sales transactions, on a sampling basis, to source documents such as sales invoice and/or delivery documents acknowledged by the customers and collection receipts.
- We tested sales transactions for the first month of the following financial year, on a sampling basis, to supporting documentation such as sales invoices acknowledged by the customers and delivery documents to assess whether these transactions are recorded in the appropriate financial year.
- We tested credit notes issued after the financial year, on a sampling basis, to identify and assess any credit notes that relate to sales transactions recognized during the financial year.
- We tested journal entries posted to revenue accounts to identify unusual or irregular items.
- We have also evaluated the appropriateness and adequacy of the presentation and the relevant disclosures in the consolidated financial statements.

## *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

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

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

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



# R.G. Manabat & Co.



These supplementary information are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

## R.G. MANABAT & CO.

*Maria Arlene C. Yu*  
MARIA ARLEENE C. YU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10764424

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila



# R.G. Manabat & Co.



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The KPMG Center, 6/F  
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Email [ph-inquiry@kpmg.com](mailto:ph-inquiry@kpmg.com)

## REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders  
**San Miguel Food and Beverage, Inc.**  
40 San Miguel Avenue,  
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of San Miguel Food and Beverage, Inc. and its Subsidiaries (the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered our report dated April 15, 2026. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas and calculations, is the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

### R.G. MANABAT & CO.

*Maria Arlene C. Yu*  
MARIA ARLEENE C. YU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10764424

Issued January 5, 2026 at Makati City

April 15, 2026  
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

# R.G. Manabat & Co.



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
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Email [ph-inquiry@kpmg.com](mailto:ph-inquiry@kpmg.com)

## **REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders  
**San Miguel Food and Beverage, Inc.**  
40 San Miguel Avenue,  
Mandaluyong City

We have audited, in accordance with Philippine Standards on Auditing, the separate financial statements of San Miguel Food and Beverage, Inc. (the "Company"), as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated April 15, 2026.

Our audits were made for the purpose of forming an opinion on the separate financial statements of the Company taken as a whole. The supplementary information in the Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025  
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029  
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

# R.G. Manabat & Co.



This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the separate financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the separate financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the separate financial statements taken as a whole.

## R.G. MANABAT & CO.

*Maria Arlene C. Yu*  
MARIA ARLEENE CYU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10764424

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila

**SAN MIGUEL FOOD AND BEVERAGE, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2025 AND 2024**  
(In Millions)

|                                                                | <i>Note</i>           | <b>2025</b>     | 2024     |
|----------------------------------------------------------------|-----------------------|-----------------|----------|
| <b>ASSETS</b>                                                  |                       |                 |          |
| <b>Current Assets</b>                                          |                       |                 |          |
| Cash and cash equivalents                                      | 4, 7, 33, 34          | <b>P64,506</b>  | P58,221  |
| Trade and other receivables - net                              | 4, 8, 30, 33, 34      | <b>29,891</b>   | 29,456   |
| Inventories                                                    | 4, 9                  | <b>43,659</b>   | 47,582   |
| Current portion of biological assets - net                     | 4, 10                 | <b>3,074</b>    | 3,241    |
| Prepaid expenses and other current assets                      | 11, 30, 33, 34, 36    | <b>4,946</b>    | 5,506    |
| Assets held for sale                                           | 5, 27                 | <b>186</b>      | 186      |
| <b>Total Current Assets</b>                                    |                       | <b>146,262</b>  | 144,192  |
| <b>Noncurrent Assets</b>                                       |                       |                 |          |
| Investments - net                                              | 4, 12, 33, 34         | <b>18,672</b>   | 17,388   |
| Property, plant, and equipment - net                           | 4, 13                 | <b>136,768</b>  | 128,590  |
| Right-of-use assets - net                                      | 4, 14                 | <b>4,814</b>    | 4,923    |
| Investment property - net                                      | 4, 15                 | <b>4,304</b>    | 3,576    |
| Biological assets - net of current portion                     | 4, 10                 | <b>2,661</b>    | 2,652    |
| Goodwill - net                                                 | 4, 16                 | <b>996</b>      | 996      |
| Other intangible assets - net                                  | 4, 16                 | <b>39,816</b>   | 39,665   |
| Deferred tax assets                                            | 4, 28                 | <b>3,377</b>    | 3,657    |
| Other noncurrent assets - net                                  | 4, 17, 29, 30, 33, 34 | <b>31,637</b>   | 31,467   |
| <b>Total Noncurrent Assets</b>                                 |                       | <b>243,045</b>  | 232,914  |
|                                                                |                       | <b>P389,307</b> | P377,106 |
| <b>LIABILITIES AND EQUITY</b>                                  |                       |                 |          |
| <b>Current Liabilities</b>                                     |                       |                 |          |
| Loans payable                                                  | 18, 33, 34            | <b>P14,346</b>  | P17,103  |
| Trade payables and other current liabilities                   | 19, 30, 33, 34        | <b>74,542</b>   | 76,416   |
| Lease liabilities - current portion                            | 4, 32, 33, 34         | <b>727</b>      | 735      |
| Income and other taxes payable                                 |                       | <b>11,369</b>   | 10,035   |
| Dividends payable                                              | 21, 33, 34            | <b>111</b>      | 89       |
| Current maturities of long-term debt - net of debt issue costs | 20, 33, 34            | <b>19,174</b>   | 12,328   |
| <b>Total Current Liabilities</b>                               |                       | <b>120,269</b>  | 116,706  |

Forward

|                                                                    | <b>Note</b>       | <b>2025</b>      | <b>2024</b> |
|--------------------------------------------------------------------|-------------------|------------------|-------------|
| <b>Noncurrent Liabilities</b>                                      |                   |                  |             |
| Long-term debt - net of current maturities and debt issue costs    | 20, 33, 34        | <b>P61,626</b>   | P67,652     |
| Deferred tax liabilities                                           | 28                | <b>31</b>        | 23          |
| Lease liabilities - net of current portion                         | 4, 32, 33, 34     | <b>4,865</b>     | 4,864       |
| Other noncurrent liabilities                                       | 4, 29, 30, 33, 34 | <b>5,773</b>     | 7,672       |
| <b>Total Noncurrent Liabilities</b>                                |                   | <b>72,295</b>    | 80,211      |
| <b>Equity</b>                                                      |                   |                  |             |
| <b>Equity Attributable to Equity Holders of the Parent Company</b> |                   |                  |             |
| Capital stock                                                      | 21                | <b>6,251</b>     | 6,251       |
| Additional paid-in capital                                         | 21                | <b>366,620</b>   | 366,620     |
| Equity adjustments from common control transactions                | 21                | <b>(327,793)</b> | (327,793)   |
| Equity reserves                                                    |                   | <b>(1,414)</b>   | (1,711)     |
| Retained earnings:                                                 | 21                |                  |             |
| Appropriated                                                       |                   | <b>46,807</b>    | 45,375      |
| Unappropriated                                                     |                   | <b>68,194</b>    | 57,551      |
| Treasury stock                                                     | 21                | <b>(30,182)</b>  | (30,182)    |
|                                                                    |                   | <b>128,483</b>   | 116,111     |
| <b>Non-controlling Interests</b>                                   | 2, 5              | <b>68,260</b>    | 64,078      |
| <b>Total Equity</b>                                                |                   | <b>196,743</b>   | 180,189     |
|                                                                    |                   | <b>P389,307</b>  | P377,106    |

See Notes to the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

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**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**  
(In Millions, Except Per Share Data)

|                                                                                                                         | <i>Note</i>    | <b>2025</b>     | <b>2024</b> | <b>2023</b> |
|-------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|-------------|-------------|
| <b>SALES</b>                                                                                                            | 6, 22, 30      | <b>P419,060</b> | P400,872    | P379,822    |
| <b>COST OF SALES</b>                                                                                                    | 23, 30         | <b>298,700</b>  | 289,940     | 279,222     |
| <b>GROSS PROFIT</b>                                                                                                     |                | <b>120,360</b>  | 110,932     | 100,600     |
| <b>SELLING AND<br/>ADMINISTRATIVE<br/>EXPENSES</b>                                                                      | 24, 30         | <b>(59,320)</b> | (55,140)    | (52,189)    |
| <b>INTEREST<br/>EXPENSE AND<br/>OTHER<br/>FINANCING<br/>CHARGES</b>                                                     | 18, 20, 27, 32 | <b>(4,878)</b>  | (4,809)     | (4,752)     |
| <b>INTEREST INCOME</b>                                                                                                  | 7, 27, 30      | <b>3,653</b>    | 3,788       | 3,067       |
| <b>EQUITY NET GAIN OF<br/>ASSOCIATE</b>                                                                                 | 12             | <b>13</b>       | -           | -           |
| <b>GAIN (LOSS) ON SALE OF<br/>INVESTMENTS AND<br/>PROPERTY AND<br/>EQUIPMENT</b>                                        | 12, 13         | <b>7</b>        | 19          | (2)         |
| <b>OTHER INCOME<br/>(CHARGES) - Net</b>                                                                                 | 27             | <b>1,073</b>    | (1,123)     | 3,154       |
| <b>INCOME BEFORE INCOME<br/>TAX</b>                                                                                     |                | <b>60,908</b>   | 53,667      | 49,878      |
| <b>INCOME TAX EXPENSE</b>                                                                                               | 28             | <b>14,628</b>   | 12,734      | 11,773      |
| <b>NET INCOME</b>                                                                                                       |                | <b>P46,280</b>  | P40,933     | P38,105     |
| <b>Attributable to:</b>                                                                                                 |                |                 |             |             |
| Equity holders of the Parent<br>Company                                                                                 |                | <b>P30,128</b>  | P25,743     | P23,118     |
| Non-controlling interests                                                                                               | 5              | <b>16,152</b>   | 15,190      | 14,987      |
|                                                                                                                         |                | <b>P46,280</b>  | P40,933     | P38,105     |
| <b>Basic and Diluted Earnings<br/>per Common Share<br/>Attributable to Equity<br/>Holders of the Parent<br/>Company</b> | 31             | <b>P5.10</b>    | P4.36       | P3.91       |

*See Notes to the Consolidated Financial Statements.*

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

(In Millions)

|                                                                               | <i>Note</i> | <b>2025</b>    | <b>2024</b>    | <b>2023</b>    |
|-------------------------------------------------------------------------------|-------------|----------------|----------------|----------------|
| <b>NET INCOME</b>                                                             |             | <b>P46,280</b> | <b>P40,933</b> | <b>P38,105</b> |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                                      |             |                |                |                |
| <b>Items that will not be reclassified to profit or loss</b>                  |             |                |                |                |
| Remeasurement loss on reserve for retirement plan                             | 29          | (29)           | (282)          | (2,155)        |
| Income tax                                                                    | 28          | 4              | 69             | 548            |
| Net gain on financial assets at fair value through other comprehensive income | 12          | 7              | 9              | 23             |
|                                                                               |             | (18)           | (204)          | (1,584)        |
| <b>Item that may be reclassified to profit or loss</b>                        |             |                |                |                |
| Gain (loss) on exchange differences on translation of foreign operations      |             | 633            | 1,103          | (88)           |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                                      |             | <b>615</b>     | <b>899</b>     | <b>(1,672)</b> |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                             |             | <b>P46,895</b> | <b>P41,832</b> | <b>P36,433</b> |
| <b>Attributable to:</b>                                                       |             |                |                |                |
| Equity holders of the Parent Company                                          |             | <b>P30,425</b> | <b>P26,126</b> | <b>P21,860</b> |
| Non-controlling interests                                                     | 5           | <b>16,470</b>  | <b>15,706</b>  | <b>14,573</b>  |
|                                                                               |             | <b>P46,895</b> | <b>P41,832</b> | <b>P36,433</b> |

*See Notes to the Consolidated Financial Statements.*

**SAN MIGUEL FOOD AND BEVERAGE, INC  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023  
(In Millions)**

| Equity Attributable to Equity Holders of the Parent Company                   |                 |           |            |                    |            |             |     |                 |           |                 |          |                   |           |                 |                          |                 |
|-------------------------------------------------------------------------------|-----------------|-----------|------------|--------------------|------------|-------------|-----|-----------------|-----------|-----------------|----------|-------------------|-----------|-----------------|--------------------------|-----------------|
| Note                                                                          | Equity Reserves |           |            |                    |            |             |     |                 |           |                 |          |                   |           |                 |                          |                 |
|                                                                               | Capital Stock   |           | Additional | Equity Adjustments |            | Reserve for |     | Equity Reserves |           |                 |          | Retained Earnings |           | Non-controlling |                          |                 |
|                                                                               |                 |           |            |                    |            |             |     | Common          | Preferred | Paid-in Capital | Control  |                   |           |                 | from Common Transactions | Retirement Plan |
|                                                                               | Common          | Preferred | Common     | Preferred          | Total      | Interests   |     |                 |           |                 |          |                   |           |                 |                          |                 |
| As at January 1, 2025                                                         | P5,951          | P300      | P366,620   |                    | (P327,793) | (P3,275)    | P41 | P1,600          | (P77)     | P45,375         | P57,551  | (P182)            | (P30,000) | P116,111        | P64,078                  | P180,189        |
| Remeasurement loss on reserve for retirement plan, net of deferred tax        | 29              | -         | -          | -                  | -          | (30)        | -   | -               | -         | -               | -        | -                 | -         | (30)            | 5                        | (25)            |
| Gain on exchange differences on translation of foreign operations             | -               | -         | -          | -                  | -          | -           | -   | 323             | -         | -               | -        | -                 | -         | 323             | 310                      | 633             |
| Net gain on financial assets at fair value through other comprehensive income | -               | -         | -          | -                  | -          | -           | 4   | -               | -         | -               | -        | -                 | -         | 4               | 3                        | 7               |
| Other comprehensive income (loss)                                             | -               | -         | -          | -                  | -          | (30)        | 4   | 323             | -         | -               | -        | -                 | -         | 297             | 318                      | 615             |
| Net income                                                                    | -               | -         | -          | -                  | -          | -           | -   | -               | -         | -               | 30,128   | -                 | -         | 30,128          | 16,152                   | 46,280          |
| Total comprehensive income (loss)                                             | -               | -         | -          | -                  | -          | (30)        | 4   | 323             | -         | -               | 30,128   | -                 | -         | 30,425          | 16,470                   | 46,895          |
| Share issuance cost                                                           | -               | -         | -          | -                  | -          | -           | -   | -               | -         | -               | (30)     | -                 | -         | (30)            | -                        | (30)            |
| Appropriations during the year - net                                          | 21              | -         | -          | -                  | -          | -           | -   | -               | -         | 1,432           | (1,432)  | -                 | -         | -               | -                        | -               |
| Cash dividends declared                                                       | 21              | -         | -          | -                  | -          | -           | -   | -               | -         | -               | (18,023) | -                 | -         | (18,023)        | (12,288)                 | (30,311)        |
| As at December 31, 2025                                                       | P5,951          | P300      | P366,620   |                    | (P327,793) | (P3,305)    | P45 | P1,923          | (P77)     | P46,807         | P68,194  | (P182)            | (P30,000) | P128,483        | P68,260                  | P196,743        |

Forward



| Equity Attributable to Equity Holders of the Parent Company                   |                 |           |                            |                                                     |                             |                    |                     |                      |                   |                |                |           |                           |              |          |
|-------------------------------------------------------------------------------|-----------------|-----------|----------------------------|-----------------------------------------------------|-----------------------------|--------------------|---------------------|----------------------|-------------------|----------------|----------------|-----------|---------------------------|--------------|----------|
| Note                                                                          | Equity Reserves |           |                            |                                                     |                             |                    |                     |                      |                   |                |                |           |                           |              |          |
|                                                                               | Capital Stock   |           | Additional Paid-in Capital | Equity Adjustments from Common Control Transactions | Reserve for Retirement Plan | Fair Value Reserve | Translation Reserve | Other Equity Reserve | Retained Earnings |                | Treasury Stock |           | Non-controlling Interests | Total Equity |          |
|                                                                               | Common          | Preferred |                            |                                                     |                             |                    |                     |                      | Appropriated      | Unappropriated | Common         | Preferred |                           |              |          |
| As at January 1, 2024                                                         | P5,951          | P300      | P366,620                   | (P327,793)                                          | (P3,117)                    | P34                | P1,066              | (P77)                | P45,392           | P50,996        | (P182)         | (P30,000) | P109,190                  | P59,925      | P169,115 |
| Remeasurement loss on reserve for retirement plan, net of deferred tax        | 29              | -         | -                          | -                                                   | (158)                       | -                  | -                   | -                    | -                 | -              | -              | -         | (158)                     | (55)         | (213)    |
| Gain on exchange differences on translation of foreign operations             |                 | -         | -                          | -                                                   | -                           | -                  | 534                 | -                    | -                 | -              | -              | -         | 534                       | 569          | 1,103    |
| Net gain on financial assets at fair value through other comprehensive income |                 | -         | -                          | -                                                   | -                           | -                  | 7                   | -                    | -                 | -              | -              | -         | 7                         | 2            | 9        |
| Other comprehensive income (loss)                                             |                 | -         | -                          | -                                                   | (158)                       | 7                  | 534                 | -                    | -                 | 25,743         | -              | -         | 383                       | 516          | 899      |
| Net income                                                                    |                 | -         | -                          | -                                                   | -                           | -                  | -                   | -                    | -                 | -              | -              | -         | 25,743                    | 15,190       | 40,933   |
| Total comprehensive income (loss)                                             |                 | -         | -                          | -                                                   | (158)                       | 7                  | 534                 | -                    | -                 | 25,743         | -              | -         | 26,126                    | 15,706       | 41,832   |
| Net addition to non-controlling interests                                     |                 | -         | -                          | -                                                   | -                           | -                  | -                   | -                    | -                 | -              | -              | -         | -                         | 67           | -        |
| Reversal of appropriations - net                                              | 21              | -         | -                          | -                                                   | -                           | -                  | -                   | -                    | (17)              | 17             | -              | -         | -                         | -            | -        |
| Cash dividends declared                                                       | 21              | -         | -                          | -                                                   | -                           | -                  | -                   | -                    | (19,205)          | (19,205)       | -              | -         | (19,205)                  | (11,620)     | (30,825) |
| As at December 31, 2024                                                       | P5,951          | P300      | P366,620                   | (P327,793)                                          | (P3,275)                    | P41                | P1,600              | (P77)                | P45,375           | P57,551        | (P182)         | (P30,000) | P116,111                  | P64,078      | P180,189 |
| Forward                                                                       |                 |           |                            |                                                     |                             |                    |                     |                      |                   |                |                |           |                           |              |          |

Forward

| Equity Attributable to Equity Holders of the Parent Company                   |                 |           |                            |                                                     |                             |                    |                     |                      |                   |                |                |           |                           |          |          |
|-------------------------------------------------------------------------------|-----------------|-----------|----------------------------|-----------------------------------------------------|-----------------------------|--------------------|---------------------|----------------------|-------------------|----------------|----------------|-----------|---------------------------|----------|----------|
| Note                                                                          | Equity Reserves |           |                            |                                                     |                             |                    |                     |                      |                   |                |                |           |                           |          |          |
|                                                                               | Capital Stock   |           | Additional Paid-in Capital | Equity Adjustments from Common Control Transactions | Reserve for Retirement Plan | Equity Reserves    |                     |                      | Retained Earnings |                | Treasury Stock |           | Non-controlling Interests |          |          |
|                                                                               | Common          | Preferred |                            |                                                     |                             | Fair Value Reserve | Translation Reserve | Other Equity Reserve | Appropriated      | Unappropriated | Common         | Preferred |                           | Total    |          |
| As at January 1, 2023                                                         | P5,951          | P300      | P366,620                   | (P327,793)                                          | (P1,880)                    | P12                | P1,109              | (P77)                | P31,366           | P57,860        | (P182)         | (P30,000) | P103,286                  | P55,787  | P159,073 |
| Remeasurement loss on reserve for retirement plan, net of deferred tax        | 29              | -         | -                          | -                                                   | (1,237)                     | -                  | -                   | -                    | -                 | -              | -              | -         | (1,237)                   | (370)    | (1,607)  |
| Loss on exchange differences on translation of foreign operations             |                 | -         | -                          | -                                                   | -                           | -                  | (43)                | -                    | -                 | -              | -              | -         | (43)                      | (45)     | (88)     |
| Net gain on financial assets at fair value through other comprehensive income |                 | -         | -                          | -                                                   | -                           | -                  | 22                  | -                    | -                 | -              | -              | -         | 22                        | 1        | 23       |
| Other comprehensive income (loss)                                             |                 | -         | -                          | -                                                   | -                           | (1,237)            | 22                  | (43)                 | -                 | -              | -              | -         | (1,258)                   | (414)    | (1,672)  |
| Net income                                                                    |                 | -         | -                          | -                                                   | -                           | -                  | -                   | -                    | -                 | 23,118         | -              | -         | 23,118                    | 14,987   | 38,105   |
| Total comprehensive income (loss)                                             |                 | -         | -                          | -                                                   | -                           | (1,237)            | 22                  | (43)                 | -                 | 23,118         | -              | -         | 21,860                    | 14,573   | 36,433   |
| Share issuance cost                                                           |                 | -         | -                          | -                                                   | -                           | -                  | -                   | -                    | -                 | (1)            | -              | -         | -                         | -        | (1)      |
| Appropriations during the year - net                                          | 21              | -         | -                          | -                                                   | -                           | -                  | -                   | -                    | 14,026            | (14,026)       | -              | -         | -                         | -        | -        |
| Cash dividends declared                                                       | 21              | -         | -                          | -                                                   | -                           | -                  | -                   | -                    | -                 | (15,955)       | -              | -         | (15,955)                  | (10,435) | (26,390) |
| As at December 31, 2023                                                       | P5,951          | P300      | P366,620                   | (P327,793)                                          | (P3,117)                    | P34                | P1,066              | (P77)                | P45,392           | P50,996        | (P182)         | (P30,000) | P109,190                  | P59,925  | P169,115 |

See Notes to the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

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**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**  
(In Millions)

|                                                                              | <i>Note</i> | <b>2025</b>     | 2024     | 2023     |
|------------------------------------------------------------------------------|-------------|-----------------|----------|----------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                  |             |                 |          |          |
| Income before income tax                                                     |             | <b>P60,908</b>  | P53,667  | P49,878  |
| Adjustments for:                                                             |             |                 |          |          |
| Depreciation and amortization and others - net                               | 25          | <b>19,098</b>   | 16,893   | 16,164   |
| Interest expense and other financing charges                                 | 27          | <b>4,878</b>    | 4,809    | 4,752    |
| Retirement costs                                                             | 29          | <b>1,019</b>    | 980      | 843      |
| Impairment losses on receivables and write-down of inventories               | 8, 9        | <b>368</b>      | 304      | 779      |
| Impairment loss on property, plant and equipment and other noncurrent assets | 27          | <b>274</b>      | 1,457    | -        |
| Net other charges (gain) on derivative transactions                          |             | <b>96</b>       | 9        | (11)     |
| Net unrealized foreign exchange (gain) loss                                  |             | <b>15</b>       | 107      | (108)    |
| Equity in net earnings of associate                                          | 12          | <b>(13)</b>     | -        | -        |
| Gain on sale of investments and property and equipment                       |             | <b>(18)</b>     | (15)     | (790)    |
| Gain on fair valuation of agricultural produce                               | 9           | <b>(27)</b>     | (25)     | (8)      |
| Dividend income                                                              |             | <b>(145)</b>    | (145)    | (139)    |
| Interest income                                                              | 27          | <b>(3,653)</b>  | (3,788)  | (3,067)  |
| Operating income before working capital changes                              |             | <b>82,800</b>   | 74,253   | 68,293   |
| Decrease (increase) in:                                                      |             |                 |          |          |
| Trade and other receivables                                                  |             | <b>(406)</b>    | (7,529)  | (3,757)  |
| Inventories                                                                  |             | <b>3,691</b>    | (4,775)  | 17,444   |
| Current portion of biological assets                                         |             | <b>167</b>      | 274      | (96)     |
| Prepaid expenses and other current assets                                    |             | <b>489</b>      | 529      | (725)    |
| Increase (decrease) in trade payables and other current liabilities          |             | <b>(1,219)</b>  | 14,421   | 8,241    |
| Cash generated from operations                                               |             | <b>85,522</b>   | 77,173   | 89,400   |
| Contributions paid                                                           | 29          | <b>(1,563)</b>  | (1,346)  | (1,274)  |
| Interest paid                                                                |             | <b>(6,159)</b>  | (5,869)  | (5,443)  |
| Income taxes paid                                                            |             | <b>(12,924)</b> | (11,815) | (11,379) |
| Net cash flows provided by operating activities                              |             | <b>64,876</b>   | 58,143   | 71,304   |

Forward

|                                                                                 | <b>Note</b> | <b>2025</b>      | <b>2024</b> | <b>2023</b> |
|---------------------------------------------------------------------------------|-------------|------------------|-------------|-------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |             |                  |             |             |
| Proceeds from sale of investments and property and equipment                    |             | <b>P28</b>       | P26         | P135        |
| Increase in biological assets, intangible assets and other noncurrent assets    | 10, 16, 17  | <b>(12,731)</b>  | (12,612)    | (15,069)    |
| Additions to investments, property, plant and equipment and investment property | 12, 13, 15  | <b>(16,684)</b>  | (16,688)    | (15,748)    |
| Dividends received                                                              |             | <b>145</b>       | 145         | 139         |
| Interest received                                                               |             | <b>3,627</b>     | 3,690       | 2,937       |
| Net cash flows used in investing activities                                     |             | <b>(25,615)</b>  | (25,439)    | (27,606)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |             |                  |             |             |
| Proceeds from:                                                                  |             |                  |             |             |
| Short-term borrowings                                                           | 18          | <b>168,818</b>   | 304,824     | 227,369     |
| Long-term borrowings                                                            | 20          | <b>13,101</b>    | 9,925       | 4,963       |
| Increase (decrease) in other noncurrent liabilities and others                  |             | <b>(53)</b>      | 19          | 1,070       |
| Payments of:                                                                    |             |                  |             |             |
| Lease liabilities                                                               | 27, 32      | <b>(741)</b>     | (745)       | (520)       |
| Long-term borrowings                                                            | 20          | <b>(12,388)</b>  | (12,880)    | (514)       |
| Short-term borrowings                                                           | 18          | <b>(171,575)</b> | (302,405)   | (233,740)   |
| Cash dividends paid                                                             | 21          | <b>(30,289)</b>  | (30,815)    | (26,378)    |
| Share issuance costs                                                            |             | <b>(28)</b>      | (3)         | (1)         |
| Net cash flows used in financing activities                                     |             | <b>(33,155)</b>  | (32,080)    | (27,751)    |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>             |             |                  |             |             |
|                                                                                 |             | <b>179</b>       | 590         | (39)        |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                |             |                  |             |             |
|                                                                                 |             | <b>6,285</b>     | 1,214       | 15,908      |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                           |             |                  |             |             |
|                                                                                 |             | <b>58,221</b>    | 57,007      | 41,099      |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                                 |             |                  |             |             |
|                                                                                 | 7           | <b>P64,506</b>   | P58,221     | P57,007     |

See Notes to the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts in Millions, Unless Otherwise Indicated)

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**1. Reporting Entity**

San Miguel Food and Beverage, Inc. (SMFB or the Parent Company), a subsidiary of San Miguel Corporation (SMC or the Intermediate Parent Company), was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) in October 1956 for a term of 50 years. On August 8, 2006, the stockholders approved the amendment to the Articles of Incorporation of the Parent Company, extending the term for which the corporation is to exist for another 50 years from October 30, 2006 or until October 30, 2056. The amendment was subsequently approved by the SEC.

The Parent Company has a corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines which took effect on February 23, 2019, the Parent Company shall have a perpetual corporate life.

The Parent Company is a public company under Section 17.2 of the Securities Regulation Code (SRC). Its common and preferred shares are listed on The Philippine Stock Exchange (PSE) since 1973 and 2011, respectively. Top Frontier Investment Holdings, Inc. (Top Frontier) is the ultimate parent company of SMFB and its subsidiaries. SMC and Top Frontier are both public companies under Section 17.2 of the SRC and their shares are listed on PSE.

The accompanying consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiaries and the Group's interests in associate and joint ventures (collectively referred to as the Group).

The Group is engaged in various business activities, which include poultry operations, livestock farming and processing and selling of meat products, processing and marketing of refrigerated and canned meat products, manufacturing and marketing of feeds and flour products, specialty oils, spreads, desserts and dairy-based products, snacks and condiments, importation and marketing of coffee and coffee-related products, and grain terminal handling. Following the corporate reorganization in June 2018, the Group is also engaged in manufacturing, selling and distribution of alcoholic and non-alcoholic beverages (NAB).

On August 7, 2024, the Board of Directors (BOD) of SMFB approved the amendment of the Company's principal address from 100 E. Rodriguez Jr. Avenue (C-5 Road), Barangay Ugong, Pasig City to 40 San Miguel Avenue, Mandaluyong City. The change of the principal address was approved by the SEC on January 10, 2025. Accordingly, the Company filed an application for registration information with the Bureau of Internal Revenue (BIR) and BIR issued the updated certificate of registration dated January 31, 2025.

## 2. Basis of Preparation

### Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards consist of PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

The consolidated financial statements were approved and authorized for issue in accordance with a resolution by the BOD on March 10, 2026.

### Basis of Measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis except for the following items which are measured on an alternative basis at each reporting date:

| Items                                                                     | Measurement Basis                                                                                 |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Derivative financial instruments                                          | Fair value                                                                                        |
| Financial assets at fair value through profit or loss (FVPL)              | Fair value                                                                                        |
| Financial assets at fair value through other comprehensive income (FVOCI) | Fair value                                                                                        |
| Defined benefit retirement asset (liability)                              | Fair value of the plan assets less the present value of the defined benefit retirement obligation |
| Agricultural produce                                                      | Fair value less estimated costs to sell at the point of harvest                                   |

### Functional and Presentation Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional currency of the Parent Company. All financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

### Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries:

|                                                                                                                                                                                                                                                                                         | Percentage of Ownership |        | Country of Incorporation     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------|------------------------------|
|                                                                                                                                                                                                                                                                                         | 2025                    | 2024   |                              |
| <b>Food</b>                                                                                                                                                                                                                                                                             |                         |        |                              |
| San Miguel Mills, Inc. (SMMI) and subsidiaries [including Golden Bay Grain Terminal Corporation and Golden Avenue Corp.(GAC)]                                                                                                                                                           | 100.00                  | 100.00 | Philippines                  |
| Magnolia Inc. and subsidiary, Golden Food Management, Inc.                                                                                                                                                                                                                              | 100.00                  | 100.00 | Philippines                  |
| San Miguel Foods, Inc. (SMFI) and subsidiaries, Foodcrave Marketing, Inc. (FMI), San Miguel Foods Mindanao, Inc. (SMFMI), San Miguel Foods South Luzon, Inc. (SMFSLI, formerly Artholand Property Development Inc. or APDI <sup>(1)</sup> ) and JGT Holdings, Inc. (JGT) <sup>(2)</sup> | 99.99                   | 99.99  | Philippines                  |
| PT San Miguel Foods Indonesia (PTSMFI) <sup>(3)</sup>                                                                                                                                                                                                                                   | 75.00                   | 75.00  | Indonesia                    |
| San Miguel Super Coffeemix Co., Inc. (SMSCCI)                                                                                                                                                                                                                                           | 70.00                   | 70.00  | Philippines                  |
| The Purefoods-Hormel Company, Inc. (PF-Hormel)                                                                                                                                                                                                                                          | 60.00                   | 60.00  | Philippines                  |
| San Miguel Foods International, Limited and subsidiary including San Miguel Foods Investment (BVI) Limited and subsidiary and San Miguel Pure Foods (VN) Co., Ltd.                                                                                                                      | 100.00                  | 100.00 | British Virgin Islands (BVI) |

Forward

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Percentage of Ownership |       | Country of Incorporation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------|--------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2025                    | 2024  |                          |
| <b>Beer and NAB</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |       |                          |
| San Miguel Brewery Inc. and Subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 51.16                   | 51.16 | Philippines              |
| San Miguel Brewing International Limited and subsidiaries [including Neptunia Corporation Limited and subsidiaries {including San Miguel Company Limited, San Miguel Company Limited (Taiwan Branch), San Miguel Brewery Hong Kong Ltd. (SMBHK) and subsidiaries (including Hong Kong Brewery Limited, San Miguel Shunde Holdings Limited and subsidiary, San Miguel (Guangdong) Brewery Co., Ltd.), San Miguel (Guangdong) Limited and subsidiary, Guangzhou San Miguel Brewery Co. Ltd. <sup>(4)</sup> , San Miguel (China) Investment Company Limited (SMCIC) and San Miguel (Baoding) Brewery Co., Ltd. <sup>(5)</sup> (SMBB)}, San Miguel Holdings (Thailand) Limited and subsidiary, San Miguel Beer (Thailand) Limited, San Miguel Marketing (Thailand) Limited and subsidiaries {including Dragon Island Investments Limited, San Miguel (Vietnam) Limited, San Miguel Brewery Vietnam Company Limited, San Miguel Malaysia (L) Pte. Ltd. and Pt. Delta Jakarta Tbk and subsidiary}] |                         |       |                          |
| Iconic Beverages, Inc. (IBI)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |       |                          |
| Brewery Properties Inc. (BPI) and subsidiary, Brewery Landholdings, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |       |                          |
| <b>Spirits</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |       |                          |
| Ginebra San Miguel Inc. and Subsidiaries [including Distileria Bago, Inc., East Pacific Star Bottlers Phils Inc. (EPSBPI), Ginebra San Miguel International Ltd. (GSMIL), GSM International Holdings Limited (GSMIHL), Global Beverages Holdings Limited, Siam Holdings Limited, Agricrops Industries Inc., Healthy Condiments, Inc. and Crown Royal Enterprises, Inc.]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 75.78                   | 75.78 | Philippines              |
| <b>Nine Dots Media Consulting Coporation (Nine Dots) <sup>(6)</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 54.55                   | 54.55 | Philippines              |
| <b>Single Kitchen Ventures Inc. (SKVI) <sup>(7)</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 100.00                  | -     | Philippines              |

<sup>(1)</sup> The company was acquired on December 22, 2023.

<sup>(2)</sup> The company was acquired on July 29, 2024.

<sup>(3)</sup> The company has ceased operations in October 2021 and is in the process of liquidation.

<sup>(4)</sup> The company has ceased operations in November 2020 and is in the process of liquidation.

<sup>(5)</sup> The company has ceased operations in March 2020 and is in the process of liquidation.

<sup>(6)</sup> The company was acquired on November 14, 2024.

<sup>(7)</sup> The company was incorporated on August 29, 2025.

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control and continues to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. Intergroup balances and transactions, including intergroup unrealized profits and losses, are eliminated in preparing the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets not attributable to the Parent Company and are presented in the consolidated statements of income, consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity attributable to equity holders of the Parent Company.

Non-controlling interests include the interests not held by the Parent Company in its subsidiaries as follows: SMFI, PTSMFI, SMSCCI, PF-Hormel, SMB, GSMI, and Nine Dots (Note 5).

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### 3. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, except for the changes in accounting policies as explained below.

The FSRSC approved the adoption of a number of new and amendments to standards as part of PFRS Accounting Standards.

#### Adoption of Amendments to Standards

A number of amendments to standard are effective for annual periods beginning on January 1, 2025. The Group assessed that these amendments to standard are not relevant to the Group and none of these are expected to have a material impact on the Group's consolidated financial statements.

#### New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025, and have not been applied in preparing the consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.



- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to five standards, of which the following amendments are relevant to the Group:
  - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
  - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
    - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in statement of income; and
    - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, replaces PAS 1. The new standard introduces the following key requirements:
  - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
  - Management-defined performance measures are disclosed in a single note to the financial statements.
  - Enhanced guidance is provided on how to group information in the financial statements.

Consequential amendments to PAS 7, *Statement of Cash Flows*, require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

#### Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

#### Financial Instruments

*Recognition and Initial Measurement.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

#### Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

*Financial Assets at Amortized Cost.* A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statements of income when the financial asset is derecognized, modified or impaired.

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, noncurrent receivables and deposits, and restricted cash are included under this category (Notes 4, 7, 8, 12, 17, 30, 33 and 34).

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

*Financial Assets at FVOCI.* Investment in equity instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the consolidated statements of income when the right to receive the payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in other comprehensive income are never reclassified to the consolidated statements of income.

The Group's investments in equity instruments at FVOCI are classified under this category (Notes 12, 33 and 34).

*Financial Assets at FVPL.* All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income.

The Group's derivative assets that are not designated as cash flow hedge are classified under this category (Notes 12, 30, 33 and 34).

#### Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

*Financial Liabilities at FVPL.* Financial liabilities are classified under this category through the fair value option. Derivative instruments (including embedded derivatives) with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in profit or loss. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category (Notes 19, 33 and 34).

*Other Financial Liabilities.* This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense and other financing charges" account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group's liabilities arising from its trade transactions or borrowings such as loans payable, trade payables and other current liabilities, dividends payable, long-term debt, lease liabilities and other noncurrent liabilities are included under this category (Notes 18, 19, 20, 33 and 34).

#### Derecognition of Financial Assets and Financial Liabilities

*Financial Assets.* A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a “passthrough” arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

#### Impairment of Financial Assets

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECLs for receivables that do not contain significant financing components. The Group uses a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost and investments in debt instruments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income

#### Inventories

Finished goods, goods in process, materials and supplies are measured at the lower of cost and net realizable value.

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

|                                     |                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Finished goods and goods in process | - at cost, which includes direct materials and labor and a proportion of manufacturing overhead costs based on normal operating capacity but excluding borrowing costs; finished goods also include unrealized gain (loss) on fair valuation of agricultural produce; costs are determined using the moving-average method. |
| Materials, supplies and others      | - at cost, using the specific identification method, first-in, first-out method or moving-average method.                                                                                                                                                                                                                   |

*Finished Goods.* Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

*Goods in Process.* Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

*Materials and Supplies.* Net realizable value is the current replacement cost.

Any write-down of inventories to net realizable value and all losses of inventories are recognized as expense in the year of write-down or loss occurrence. The amount of reversals of write-down of inventories arising from an increase in net realizable value, if any, are recognized as reduction in the amount of inventories recognized as expense in the year in which the reversal occurs.

#### Biological Assets and Agricultural Produce

The Group's biological assets include breeding stocks, growing hogs, poultry livestock and goods in process which are grouped according to their physical state, transformation capacity (breeding, growing or laying), as well as their particular stage in the production process.

Breeding stocks are carried at accumulated costs net of amortization and any impairment in value while growing hogs, poultry livestock and goods in process are carried at accumulated costs. The costs and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably.

The Group's agricultural produce, which consists of grown broilers and marketable hogs harvested from the Group's biological assets, are measured at their fair value less estimated costs to sell at the point of harvest. The fair value of grown broilers is based on the quoted prices for harvested mature grown broilers in the market at the time of harvest. For marketable hogs, the fair value is based on the quoted prices in the market at any given time.

The Group, in general, does not carry any inventory of agricultural produce at any given time as these are either sold as live broilers and hogs or transferred to the different poultry or meat processing plants and immediately transformed into processed or dressed chicken and carcass.

The carrying amounts of the biological assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Amortization is computed using the straight-line method over the following estimated productive lives of breeding stocks:

|                        | Amortization Period                          |
|------------------------|----------------------------------------------|
| Hogs - sow             | 3 years or 6 births,<br>whichever is shorter |
| Hogs - boar            | 2.5 - 3 years                                |
| Poultry breeding stock | 38 - 42 weeks                                |

#### Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at the acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included as part of "Selling and administrative expenses" account in the consolidated statements of income.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition date fair value and any resulting gain or loss is recognized in the consolidated statements of income.

The Group measures goodwill at the acquisition date as: a) the fair value of the consideration transferred; plus b) the recognized amount of any non-controlling interests in the acquiree; plus c) if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less d) the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated statements of income. Subsequently, goodwill is measured at cost less any accumulated impairment in value. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the consolidated statements of income. Costs related to the acquisition, other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statements of income.

▪ *Goodwill in a Business Combination*

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit or group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss with respect to goodwill is not reversed.

▪ *Intangible Assets Acquired in a Business Combination*

The cost of an intangible asset acquired in a business combination is the fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned.

Following initial recognition, intangible asset is carried at cost less any accumulated amortization and impairment losses, if any. The useful life of an intangible asset is assessed to be either finite or indefinite.



An intangible asset with finite life is amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

A change in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as a change in accounting estimate. The amortization expense on intangible asset with finite life is recognized in the consolidated statements of income.

#### Investments in Shares of Stock of Associates and Joint Ventures

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

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

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Group's investments in shares of stock of associates and joint ventures are accounted for using the equity method.

#### Property, Plant and Equipment

Property, plant and equipment, except for land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less impairment in value, if any.

The initial cost of property, plant and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes related asset retirement obligation (ARO), if any. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Capital projects in progress (CPIP) represent the amount of accumulated expenditures on unfinished and/or ongoing projects. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of plant and equipment are capitalized during the construction period. CPIP is not depreciated until such time that the relevant assets are ready for use.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

|                                       | Number of Years                                   |
|---------------------------------------|---------------------------------------------------|
| Land improvements                     | 5 - 30                                            |
| Buildings and improvements            | 3 - 50                                            |
| Machinery and equipment               | 2 - 50                                            |
| Furniture, other equipment and others | 2 - 40                                            |
| Leasehold improvements                | 3 - 50 or term of the lease, whichever is shorter |

The remaining useful lives, residual values, and depreciation methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and methods of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property, plant and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statements of income in the period of retirement and disposal.

#### Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use:

- the Group has the right to obtain substantially all the economic benefits from use of the identified asset; and
- the Group has the right to direct the use of the identified asset.

#### *Group as Lessee*

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

|                                       | Number of Years |
|---------------------------------------|-----------------|
| Land, land and leasehold improvements | 10 - 50         |
| Buildings and improvements            | 2 - 50          |
| Machinery and equipment               | 2 - 50          |
| Transportation equipment and others   | 2 - 7           |

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. The carrying amount of the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognized in the consolidated statements of income if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of use assets and lease liabilities for short-term leases (i.e., lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Group recognizes the lease payments associated with these leases as rent expense on a straight-line basis over the lease term.

#### *Group as Lessor*

The Group determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is classified as an operating lease. As part of the assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the recognition exemption, it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies PFRS 15, to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as rent income on a straight-line basis over the lease term.

Rent income is recognized on a straight-line basis over the related lease terms. Lease incentives granted are recognized as an integral part of the total rent income over the term of the lease.

#### Investment Property

Investment property consists of property held to earn rentals and/or for capital appreciation but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property, except for land, is measured at cost including transaction costs less accumulated depreciation and any accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Land is stated at cost less any impairment in value.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

|                            | Number of Years                                    |
|----------------------------|----------------------------------------------------|
| Land improvements          | 5 - 50                                             |
| Land use rights            | 42 - 50 or term of the lease, whichever is shorter |
| Buildings and improvements | 5 - 50                                             |
| Right-of-use assets        | 10 - 50 or term of the lease, whichever is shorter |

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement and disposal of investment property are recognized in the consolidated statements of income in the period of retirement and disposal.

Transfers are made to investment property when, and only when, there is an actual change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is an actual change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property the cost of property for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

#### Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less accumulated amortization and any accumulated impairment. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditures are recognized in the consolidated statements of income in the year in which the related expenditures are incurred.

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

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method used for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income consistent with the function of the intangible asset.

Amortization of other intangible assets with finite lives, which is computer software and licenses, is computed using the straight-line method over two to ten years.

The Group assessed the useful lives of trademarks, brand names and license to be indefinite. Based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the Group.

Trademarks, brand names and license with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated statements of income when the asset is derecognized.

#### Deferred Containers

Deferred containers pertain to returnable bottles and shells which are measured at cost less accumulated depreciation and impairment, if any. Deferred containers are depreciated using straight-line method over the estimated useful lives of three to ten years. Depreciable amount is equal to cost less estimated residual value, which is equivalent to the deposit value of containers in trade and on hand.

The remaining useful lives, residual values, and depreciation method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from deferred containers.

The carrying amounts of deferred containers are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Refundable containers deposits are collected from customers based on deposit value and refunded when the containers are returned to the Group in good condition. These deposits are presented as "Containers deposit" under "Trade payables and other current liabilities" account in the consolidated statements of financial position.

#### Impairment of Non-financial Assets

The carrying amounts of investments, property, plant and equipment, right-of-use assets, investment property, biological assets - net of current portion, other intangible assets with finite useful lives, deferred containers and idle assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, trademarks and brand names and license with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level.

If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statements of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. An impairment loss with respect to goodwill is not reversed.

#### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### Capital Stock and Additional Paid-in Capital

##### Common Shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

### *Preferred Shares*

Preferred shares are classified as equity if they are non-redeemable, or redeemable only at the option of the Parent Company, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Preferred shares are classified as a liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in the consolidated statements of income as accrued.

### *Additional Paid-in Capital*

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account in the consolidated statements of changes in equity. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

### Retained Earnings

Retained earnings represent the accumulated net income or losses, net of any dividend distributions and other capital adjustments. Appropriated retained earnings represent that portion which is restricted and therefore not available for any dividend declaration.

### Treasury Shares

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

### Revenue

The Group recognizes revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it acts as a principal as it controls the goods or services before transferring to the customer.



The following specific recognition criteria must also be met before revenue is recognized:

*Revenue from Sale of Food and Beverage*

Revenue is recognized at the point in time when control of the goods is transferred to the customer, which is normally upon delivery of the goods. Trade discounts and volume rebates do not result to significant variable consideration and are generally determined based on concluded sales transactions as at the end of each period. Payment is generally due within 30 to 60 days from delivery.

*Revenue from Other Sources*

*Service Revenue.* Service revenue includes fees for terminal handling, storage, bagging, and services related to port usage. Revenue from terminal fees is recognized as the services are rendered overtime based on the actual quantity of items handled during the period multiplied by a predetermined rate. Revenue from storage fees is charged on items that are stored beyond the free storage period and is recognized based on the quantity of items stored in silos and warehouses computed each day, multiplied by a predetermined rate. Revenue from bagging fees is recognized based on the quantity of bags packed multiplied by a predetermined rate. While revenue from usage fees is recognized as the services are rendered overtime based on the gross weight of vessels entering the port multiplied by a predetermined rate.

*Revenue from Agricultural Produce.* Revenue from initial recognition of agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. Fair value is based on the relevant market price at the point of harvest.

*Interest Income.* Interest income is recognized using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

*Dividend Income.* Dividend income is recognized when the Group's right to receive the payment is established.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Employee Benefits

*Short-term Employee Benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### *Retirement Costs*

The Company and some of its subsidiaries have separate funded, noncontributory retirement plans, administered by the respective trustees, covering their respective permanent employees.

The net defined benefit retirement liability or asset is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of economic benefits available in the form of reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method. The projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning projected salaries of employees. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

Defined benefit costs comprise the following:

- Service costs;
- Net interest on the defined benefit retirement liability or asset; and
- Remeasurements of defined benefit retirement liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statements of income. Past service costs are recognized when plan amendment or curtailment occurs. Independent qualified actuary calculates these amounts periodically.

Net interest on the net defined benefit retirement liability or asset is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the net defined benefit retirement liability or asset. Net interest on the net defined benefit retirement liability or asset is recognized as expense or income in the consolidated statements of income.

Remeasurements of net defined benefit retirement liability or asset comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to consolidated statements of income in subsequent periods.

When the benefits of a plan are changed, or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statements of income. The Group recognizes gains and losses on the settlement of a defined benefit retirement plan when the settlement occurs.

### Foreign Currency

#### *Foreign Currency Translations*

Transactions in foreign currencies are initially recorded in the respective functional currencies of the Group entities at exchange rates on the dates of the transactions.

Monetary assets and monetary liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Nonmonetary assets and nonmonetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate when the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the consolidated statements of income, except for differences arising on the translation of monetary items that in substance form part of a net investment in a foreign operation and hedging instruments in a qualifying cash flow hedge or hedge of a net investment in a foreign operation, which are recognized in other comprehensive income.

#### *Foreign Operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Philippine Peso at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Philippine Peso at average exchange rates for the period.

Foreign currency differences are recognized in other comprehensive income and presented in the "Translation reserve" account in the consolidated statements of changes in equity. However, if the operation is not a wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in shares of stock of an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income and presented in the "Translation reserve" account in the consolidated statements of changes in equity.

#### Taxes

*Current Tax.* Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

*Deferred Tax.* Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in shares of stock of subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to deductible temporary differences associated with investments in shares of stock of subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax are recognized in the consolidated statements of income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

*Value-added Tax (VAT)*. Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of “Prepaid expenses and other current assets” or “Income and other taxes payable” accounts in the consolidated statements of financial position.

#### Assets Held for Sale

The Group classifies noncurrent assets, or disposal groups comprising assets and liabilities as held for sale or distribution, if their carrying amounts will be recovered primarily through sale or distribution rather than through continuing use. The assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell or distribute, except for some assets which are covered by other standards. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group’s accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on remeasurement are recognized in the consolidated statements of income. Gains are not recognized in excess of any cumulative impairment losses.

The criteria for held for sale or distribution is regarded as met only when the sale or distribution is highly probable and the asset or disposal group is available for immediate sale or distribution in its present condition. Actions required to complete the sale or distribution should indicate that it is unlikely that significant changes to the sale or distribution will be made or that the decision on distribution or sale will be withdrawn. Management must be committed to the sale or distribution within one year from date of classification.

Intangible assets, property, plant and equipment and investment property once classified as held for sale or distribution are not amortized or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution.

Assets and liabilities classified as held for sale or distribution are presented separately as current items in the consolidated statements of financial position.

#### Related Parties

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. Related parties may be individuals or corporate entities.

#### Basic and Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Parent Company, net of dividends on preferred shares by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

Diluted EPS is computed in the same manner, adjusted for the effect of all potential dilutive debt or equity instruments.

#### Operating Segments

The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 6 to the consolidated financial statements. The Chief Executive Officer (the chief operating decision maker) reviews management reports on a regular basis.

The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods.

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

#### Events After the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

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#### **4. Use of Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires management to exercise judgments, make accounting estimates and use assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the consolidated financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments, estimates and assumptions are revised and in any future period affected.

### Judgments

In the process of applying the accounting policies, the Group has made the following judgments, apart from those involving estimations, which have significant effect on the amounts recognized in the consolidated financial statements:

*Measurement of Biological Assets.* Breeding stocks are carried at accumulated costs net of amortization and any impairment in value while growing hogs, poultry livestock and goods in process are carried at accumulated costs. The costs and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably. The Group's biological assets or any similar assets prior to point of harvest have no active market available in the Philippine poultry and hog industries. Further, the existing sector benchmarks are determined to be irrelevant and the estimates (i.e., revenues due to highly volatile prices, input costs and efficiency values) necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value.

*Distinction between Investment Property and Owner-occupied Property.* The Group determines whether a property qualifies as investment property or owner-occupied property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in marketing or administrative functions. Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in marketing or for administrative purposes. If the portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. The Group considers each property separately in making its judgment.

*Determining whether a Contract Contains a Lease.* The Group uses its judgment in determining whether a contract contains a lease. At inception of a contract, the Group makes an assessment whether it has the right to obtain substantially all the economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

*Operating Lease Commitments - Group as Lessor.* The Group has entered into various lease agreements as a lessor. The Group had determined that it retains all the significant risks and rewards of ownership of the property leased out on operating leases.

Rent income recognized in the consolidated statements of income amounted to P468, P427 and P264 in 2025, 2024 and 2023, respectively (Notes 27 and 32).

*Determining the Lease Term of Contracts with Renewal Options - Group as Lessee.* The Group determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. At lease commencement date, the Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew the lease by considering all relevant factors that create an economic incentive for it to exercise the renewal option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or change in circumstances within its control.

*Evaluating Control over its Investees.* Determining whether the Group has control in an investee requires significant judgment. Although the Group owns less than 50% of the voting rights of BPI, management has determined that the Group has control in this entity by virtue of its exposure and rights to variable returns from its involvement in this investee and its ability to affect those returns through its power over the investee.

The Group is entitled to receive substantially all of the returns related to BPI's operations and net assets after providing the fixed returns for preferred shareholders under the articles of incorporation and has the current ability to direct BPI's activities that most significantly affect the returns.

*Assessment of Intangible Assets with Indefinite Useful Life.* The Group has assessed that the intangible assets have an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the Group (Note 16).

*Classification of Joint Arrangements.* The Group has determined that it has rights only to the net assets of the joint arrangements based on the structure, legal form, contractual terms and other facts and circumstances of the arrangement. As such, the Group classified its joint arrangements in Thai San Miguel Liquor Co. Ltd. (TSML) and Thai Ginebra Trading (TGT) as joint ventures (Note 12).

*Determining whether an Investee is an Associate.* The Group uses its judgment in determining significant influence over an investee company. The Group has significant influence over an investee company when it has the power to participate in the financial and operating policy decisions of the investee but not control those policies. Management has assessed its relationship with Eight-8-Ate Holdings, Inc. (E8A) and concluded that it has significant influence, even though the Group only holds 15% equity interest. This conclusion was based on the Group's representation in the Board of Directors of E8A, participation in policy-making process and the existence of significant transactions between the entities. Accordingly, the investment in E8A has been classified as an associate.

*Classification of Financial Instruments.* The Group exercises judgments in classifying financial instruments, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

The Group uses its judgment in determining the classification of financial assets based on its business model in which assets are managed and their cash flow characteristics. The classification and fair values of financial assets and financial liabilities are presented in Note 34.



### Estimates and Assumptions

The key estimates and assumptions used in the consolidated financial statements are based upon the Group's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

*Assessment of ECL on Trade Receivables.* The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables for at least two years. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customers. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer to reflect the effects of current and forecasted economic conditions.

The Group has assessed that the forward-looking default rate component of its ECL on trade receivables is not material because substantial amount of trade receivables is normally collected within one year. Moreover, based on management's assessment, current conditions and forward-looking information do not indicate a significant increase in credit risk exposure of the Group from its trade receivables.

Trade receivables written off amounted to P8 and P11 in 2025 and 2024, respectively. The allowance for impairment losses on trade receivables amounted to P329 and P317 as at December 31, 2025 and 2024, respectively. The carrying amount of trade receivables amounted to P27,152 and P26,304 as of December 31, 2025 and 2024, respectively (Note 8).

*Assessment of ECL on Other Financial Assets at Amortized Cost.* The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of other financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets at day one to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable financial institutions and companies with good credit standing and relatively low risk of defaults. Accordingly, no additional provision for ECL on other financial assets at amortized cost was recognized in 2025 and 2024.

The carrying amounts of other financial assets at amortized cost are as follows:

|                                                                                                    | <b>Note</b> | <b>2025</b>    | <b>2024</b> |
|----------------------------------------------------------------------------------------------------|-------------|----------------|-------------|
| <b>Other Financial Assets at Amortized Cost</b>                                                    |             |                |             |
| Cash and cash equivalents (excluding cash on hand)                                                 | 7           | <b>P61,644</b> | P54,655     |
| Restricted cash (included under "Prepaid expenses and other current assets" account)               | 33, 34      | <b>215</b>     | 228         |
| Other current receivables - net (included under "Trade and other receivables - net" account)       | 8           | <b>3,545</b>   | 3,976       |
| Investments in debt instruments (included under "Investments" account)                             | 12, 33, 34  | <b>11,500</b>  | 11,500      |
| Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account) | 17          | <b>241</b>     | 244         |

*Fair Value Measurements.* A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained to support the conclusion that such valuations meet the requirements of PFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Group uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (Note 3).

If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The methods and assumptions used to estimate the fair values for both financial and non-financial assets and liabilities are discussed in Notes 9, 10, 12, 13, 14, 15, 16, 17, 19 and 34.

*Write-down of Inventory.* The Group writes-down the cost of inventory to net realizable value whenever net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the reporting date to the extent that such events confirm conditions existing at the reporting date.

The write-down of inventories amounted to P235, P275 and P200 in 2025, 2024 and 2023, respectively (Note 9).

The carrying amounts of inventories amounted to P43,659 and P47,582 as at December 31, 2025 and 2024, respectively (Note 9).

*Estimated Useful Lives of Property, Plant and Equipment, Right-of-Use Assets, Investment Property, Deferred Containers and Idle Assets.* The Group estimates the useful lives of property, plant and equipment, right-of-use assets, investment property, deferred containers and idle assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, right-of-use assets, investment property, deferred containers and idle assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property, plant and equipment, right-of-use assets, investment property, deferred containers and idle assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment, right-of-use assets, investment property, deferred containers and idle assets would increase the recorded cost of sales and selling and administrative expenses and decrease noncurrent assets.

Property, plant and equipment, net of accumulated depreciation amounted to P152,240 and P143,391 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of property, plant and equipment amounted to P88,571 and P81,695 as at December 31, 2025 and 2024, respectively (Note 13).

Right-of-use assets, net of accumulated depreciation amounted to P4,907 and P5,015 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of right-of-use assets amounted to P4,191 and P3,510 as at December 31, 2025 and 2024, respectively (Note 14).

Investment property, net of accumulated depreciation amounted to P4,312 and P3,584 at December 31, 2025 and 2024, respectively. Accumulated depreciation of investment property amounted to P976 and P896 as at December 31, 2025 and 2024, respectively (Note 15).

Deferred containers, net of accumulated depreciation, included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position amounted to P27,737 and P27,416 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of deferred containers amounted to P34,220 and P29,957 as at December 31, 2025 and 2024, respectively (Note 17).

Idle assets, net of accumulated depreciation and impairment amounted to P766 and P812 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of idle assets amounted to P2,159 and P2,356 as at December 31, 2025 and 2024, respectively (Note 17).

*Estimated Useful Lives of Intangible Assets.* The useful lives of intangible assets are assessed at the individual asset level as having either a finite or indefinite life. Intangible assets are regarded as having an indefinite useful life when, based on analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

Intangible assets with finite useful lives, net of accumulated amortization, included as part of "Other intangible assets - net" account in the consolidated statements of financial position, amounted to P167 and P254 as at December 31, 2025 and 2024, respectively. Accumulated amortization of intangible assets with finite useful lives amounted to P1,444 and P1,345 as at December 31, 2025 and 2024, respectively (Note 16).

*Impairment of Goodwill, Trademarks and Brand Names, License, Formulas and Recipes, and Franchise with Indefinite Useful Lives.* The Group determines whether goodwill, trademarks and brand names, license, formulas and recipes, and franchise are impaired at least annually. This requires the estimation of value in use of the cash-generating units to which the goodwill is allocated and the value in use of the trademarks and brand names, license, formulas and recipes, and franchise. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and from the trademarks and brand names, license, formulas and recipes, and franchise and to choose a suitable discount rate to calculate the present value of those cash flows.

The carrying amount of goodwill amounted to P996 as at December 31, 2025 and 2024 (Note 16).

The combined carrying amounts of trademarks and brand names, license, formulas and recipes, and franchise with indefinite useful lives amounted to P39,654 and P39,416 as at December 31, 2025 and 2024, respectively (Note 16).

*Realizability of Deferred Tax Assets.* The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of MCIT and NOLCO is based on the projected taxable income in the following periods.

Deferred tax assets amounted to P3,377 and P3,657 as at December 31, 2025 and 2024, respectively (Note 28).

*Impairment of Non-financial Assets.* PFRS Accounting Standards requires that an impairment review be performed on investments, property, plant and equipment, right-of-use assets, investment property, biological assets - net of current portion, other intangible assets with finite useful lives, deferred containers and idle assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

Accumulated impairment losses on non-financial assets amounted to P17,197 and P16,693 as at December 31, 2025 and 2024, respectively (Notes 13, 14, 15, 16 and 17).

The combined carrying amounts of investments, property, plant and equipment, right-of-use assets, investment property, biological assets - net of current portion, other intangible assets with finite useful lives, deferred containers and idle assets amounted to P195,499 and P185,062 as at December 31, 2025 and 2024, respectively (Notes 10, 12, 13, 14, 15, 16 and 17).

*Estimating the Incremental Borrowing Rate.* The Group cannot readily determine the interest rate implicit in the leases. Therefore, it uses its relevant incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to consider certain contract and entity-specific estimates.

The Group's lease liabilities amounted to P5,592 and P5,599 as at December 31, 2025 and 2024, respectively (Notes 32, 33, and 34).

*Present Value of Defined Benefit Retirement Obligation.* The present value of the defined benefit retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions are described in Note 29 to the consolidated financial statements and include discount rate and salary increase rate.

The Group determines the appropriate discount rate at the end of each reporting period. It is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the interest rates on government bonds that are denominated in the currency in which the benefits will be paid. The terms to maturity of these bonds should approximate the terms of the related retirement obligation.

Other key assumptions for the defined benefit retirement obligation are based in part on current market conditions.

While it is believed that the assumptions of the Group are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the defined benefit retirement obligation of the Group.

The present value of defined benefit retirement obligation amounted to P23,095 and P22,377 as at December 31, 2025 and 2024, respectively (Note 29).

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## 5. Investments in Subsidiaries

The following are the developments relating to the Parent Company's investments in shares of stock of subsidiaries:

(a) SMFI

- SMFMI

On December 4, 2023, SMFI incorporated SMFMI, with 175,000,000 common shares subscription amounting to P1.75 billion from SMFMI's authorized stock of 700,000,000 with par value of P10.00 or P7 billion. From the subscribed capital, P1.5 billion was paid up as at December 31, 2024.

SMFMI has not started commercial operation as at December 31, 2025.

- SMFSLI

On December 22, 2023, SMFI entered into a Share Purchase Agreement with San Miguel Equity Investments Inc. (SMEII) for the acquisition of SMEII's 100% interest in APDI equivalent to 1,020,000,000 shares for total consideration of P1.38 billion payable in three installments. As at December 31, 2025, a total of P1,469 has already been paid.

On March 4, 2024, the BOD and shareholders of APDI approved the change in corporate name of APDI to SMFSLI, and the amendment of the Second Article of the Articles of Incorporation of APDI to align with the Primary and Secondary Purposes of the Company. These amendments were approved by the SEC on May 29, 2024.

On October 2, 2024, the BOD and stockholders of SMFSLI approved among others the (i) issuance of the remaining unissued shares of SMFSLI to SMFI at par value of P1.00 equivalent to total amount of P280 (ii) increase in authorized capital stock from P1.3 billion divided into 1,300,000,000 common shares to P7.5 billion divided into 7,500,000,000 common shares with a par value of P1.00 per common share and (iii) amendment to the articles of incorporation.

On the same date, the BOD of SMFI approved among others the: (i) subscription to 280,000,000 unissued common shares of SMFSLI at P1.00 par value per share, equivalent to a total amount of P280 and (ii) twenty-five percent (25%) subscription in the increase of the authorized capital stock of SMFSLI or 1,550,000,000 common shares at P1.00 par value and payment of twenty-five percent (25%) of such subscription amounting to P387.5. Both subscriptions were paid in cash in the same month.

On May 27, 2025, the SEC approved SMFSLI's increase in authorized capital stock.

SMFSLI has not yet started commercial operations as at December 31, 2025.

As at December 31, 2025 and 2024, there were certain assets that continue to be classified as held for sale despite the sale not being completed within twelve months due to unforeseen circumstances beyond the Group's control; however, management remains fully committed to the sale and continues to process the required documents to fully complete the transaction.

- JGT

On July 29, 2024, the BOD of SMFI approved the acquisition of 100% of the outstanding capital stock of JGT from its stockholders for a total consideration of P125.

JGT has not yet started commercial operations as at December 31, 2025.

(b) Magnolia

On March 11, 2022, the BOD of Magnolia approved the plan to take steps to liquidate the properties related to the operation of La Pacita biscuit. The related trademark under the Parent Company amounting to P60 was also classified as assets held for sale in 2022 and was eventually disposed on March 10, 2023 (Notes 27).

(c) PTSMFI

On November 10, 2021, the BOD of the Company ratified the approval on the closure of the operations of PTSMFI effective October 31, 2021. The Company has recognized additional provision for impairment of its investment amounting to P122,000 based on its latest valuation in 2023. PTSMFI is still in the process of liquidation as of December 31, 2025.

(d) GBGTC

In 2021, GBGTC recognized impairment loss amounting to P38 due to losses incurred from Typhoon Rolly and Ulysses in 2020. Proceeds from insurance claims were fully received as at December 31, 2023.

(e) SMFIL

On August 28, 2024, the subscription agreement dated January 26, 2015 with subscribed shares of 1,527,000 common shares out of the authorized capital stock for a total subscription price of \$1.527 million or \$1.00 per common share, P67,363 was terminated effective immediately due to the current business condition of SMFIL. Both SMFIL and the Company shall bear their respective expenses incurred in connection with the cancellation of the proposed subscription by the Company in SMFIL and return of the deposit to the Company.

(f) Nine Dots

On November 6, 2024, the BOD of the Company approved the proposed subscription to Nine Dots, an advertising agency specializing in digital marketing strategy, brand management, and content creation. On November 14, 2024, the Company entered into a Subscription Agreement with Nine Dots for the subscription of 54.55% equivalent to 60,000,000 shares for a total consideration of P60,000.

(g) SKVI

On August 29, 2025, the Company incorporated SKVI, with 300,000,000 common shares subscription amounting to P300,000 from SKVI's authorized stock of 1,200,000,000 with par value of P1.00 or P1.2 billion.

On September 1, 2025, the Company entered to a subscription agreement for the remaining 900,000,000 unissued common shares. The total subscription has been fully paid as at December 31, 2025.



The details of the Group's material non-controlling interests are as follows:

|                                                                             | December 31, 2025 |         | December 31, 2024 |        |
|-----------------------------------------------------------------------------|-------------------|---------|-------------------|--------|
|                                                                             | SMB               | GSMI    | SMB               | GSMI   |
| Percentage of non-controlling interests                                     | 48.84%            | 24.22%  | 48.84%            | 24.22% |
| Carrying amount of non-controlling interests                                | P56,520           | P9,179  | P54,508           | P7,071 |
| Net income attributable to non-controlling interests                        | P938              | P13,108 | P12,615           | P1,758 |
| Other comprehensive income (loss) attributable to non-controlling interests | (P317)            | P6      | (P460)            | P33    |
| Dividends paid to non-controlling interests                                 | P10,779           | P -     | P9,713            | P -    |

The following are the financial information of SMB and GSMI:

|                                                              | December 31, 2025 |         | December 31, 2024 |         |
|--------------------------------------------------------------|-------------------|---------|-------------------|---------|
|                                                              | SMB               | GSMI    | SMB               | GSMI    |
| Current assets                                               | P59,332           | P25,958 | P55,754           | P21,729 |
| Noncurrent assets                                            | 124,254           | 9,385   | 121,704           | 8,803   |
| Current liabilities                                          | (36,486)          | (8,297) | (29,649)          | (7,507) |
| Noncurrent liabilities                                       | (31,948)          | (1,034) | (38,009)          | (1,085) |
| Net assets                                                   | P115,152          | P26,012 | P109,800          | P21,940 |
| Sales                                                        | P155,437          | P67,354 | P153,362          | P62,505 |
| Net income                                                   | P26,494           | P8,677  | P25,625           | P7,257  |
| Other comprehensive income (loss)                            | 641               | (24)    | 1,023             | (138)   |
| Total comprehensive income                                   | P27,135           | P8,653  | P26,648           | P7,119  |
| Cash flows provided by operating activities                  | P38,014           | P8,645  | P32,642           | P7,105  |
| Cash flows used in investing activities                      | (9,060)           | (498)   | (9,509)           | (1,136) |
| Cash flows used in financing activities                      | (24,256)          | (4,470) | (24,357)          | (4,512) |
| Effect of exchange rate changes on cash and cash equivalents | 194               | (6)     | 622               | (7)     |
| Net increase (decrease) in cash and cash equivalents         | P4,892            | P3,671  | (P602)            | P1,450  |

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## 6. Segment Information

### Operating Segments

The reporting format of the Group's operating segments is determined based on the Group's risks and rates of return which are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed by SMFB separately according to the nature of the products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has three reportable segments, namely: Food, Beer and Non-alcoholic Beverage (NAB) and Spirits. Management identified and grouped the operating units in its operating segments with the objective of transforming the Group into a more rationalized and focused organization. The structure aims to boost efficiencies across the Group and raise effectiveness in defining and meeting the needs of consumers in innovative ways.

The Food segment is engaged in (i) the processing and marketing of branded value-added refrigerated processed meats and canned meat products, manufacturing and marketing of butter, margarine, cheese, milk, ice cream, specialty oils, salad aids, snacks and condiments, marketing of flour mixes and the importation and marketing of coffee and coffee-related products (collectively known as "Prepared and Packaged Food"); (ii) the production and sale of feeds ("Animal Nutrition and Health"); (iii) the poultry and livestock farming, processing and selling of poultry and fresh meats ("Protein"); and (iv) the milling, production and marketing of flour and bakery ingredients, grain terminal handling, food services, franchising and international operations ("Others").

The Beer and NAB segment is engaged in the production, marketing and selling of fermented, malt-based and non-alcoholic beverages within the Philippines and several foreign markets.

The Spirits segment is engaged in the production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka and other hard liquor variants which are available nationwide, while some are exported to select countries.

### Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, and property, plant and equipment, net of allowances, accumulated depreciation and amortization, and impairment. Segment liabilities include all operating liabilities and consist primarily of trade payables and other current liabilities, and other noncurrent liabilities, excluding interest and dividends payable. Segment assets and liabilities do not include deferred taxes.

### Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

### Major Customer

The Group does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Group.

Financial information about reportable segments follows:

| 2025                                                   |      |          |                 |         |         |                        |              |              |
|--------------------------------------------------------|------|----------|-----------------|---------|---------|------------------------|--------------|--------------|
|                                                        | Note | Food     | Beer and<br>NAB | Spirits | Others* | Reportable<br>Segments | Eliminations | Consolidated |
| <b>Sales</b>                                           |      |          |                 |         |         |                        |              |              |
| External                                               |      | P196,278 | P155,430        | P67,352 | P -     | P419,060               | P -          | P419,060     |
| Inter-segment                                          |      | 2        | 7               | 2       | 59      | 70                     | (70)         | -            |
| Total sales                                            |      | P196,280 | P155,437        | P67,354 | P59     | P419,130               | (P70)        | P419,060     |
| <b>Expenses</b>                                        |      |          |                 |         |         |                        |              |              |
| Inventories                                            |      | P129,615 | P15,040         | P17,710 | P -     | P162,365               | (P11)        | P162,354     |
| Excise taxes                                           |      | -        | 72,103          | 29,987  | -       | 102,090                | -            | 102,090      |
| Total expenses                                         |      | P129,615 | P87,143         | P47,697 | P -     | P264,455               | (P11)        | P264,444     |
| <b>Results</b>                                         |      |          |                 |         |         |                        |              |              |
| Segment operating result                               |      | P17,315  | P32,859         | P10,380 | P451    | P61,005                | P35          | P61,040      |
| Interest expense and other financing charges           |      |          |                 |         |         |                        |              | (4,878)      |
| Interest income                                        |      |          |                 |         |         |                        |              | 3,653        |
| Equity in net earnings of associate                    |      |          |                 |         |         |                        |              | 13           |
| Gain on sale of investments and property and equipment |      |          |                 |         |         |                        |              | 7            |
| Other income (charges) - net                           |      |          |                 |         |         |                        |              | 1,073        |
| Income tax expense                                     |      |          |                 |         |         |                        |              | (14,628)     |
| <b>Net income</b>                                      |      |          |                 |         |         |                        |              | P46,280      |
|                                                        |      |          |                 |         |         |                        |              |              |
| Attributable to:                                       |      |          |                 |         |         |                        |              |              |
| Equity holders of the Parent Company                   |      |          |                 |         |         |                        |              | P30,128      |
| Non-controlling interests                              |      |          |                 |         |         |                        |              | 16,152       |
| <b>Net income</b>                                      |      |          |                 |         |         |                        |              | P46,280      |
| Forward                                                |      |          |                 |         |         |                        |              |              |

2025

|                                                                                     | Note   | Food     | Beer and<br>NAB | Spirits | Others* | Reportable<br>Segments | Eliminations | Consolidated    |
|-------------------------------------------------------------------------------------|--------|----------|-----------------|---------|---------|------------------------|--------------|-----------------|
| <b>Other Information</b>                                                            |        |          |                 |         |         |                        |              |                 |
| Segments assets                                                                     |        | P153,628 | P131,156        | P32,983 | P8,610  | P326,377               | (P2,271)     | P324,106        |
| Investments                                                                         |        | 50       | 15,934          | 1,500   | 360,767 | 378,251                | (359,579)    | 18,672          |
| Right-of-use assets - net                                                           |        |          |                 |         |         |                        |              | 4,814           |
| Goodwill, trademarks and brand names                                                |        |          |                 |         |         |                        |              | 38,191          |
| Other assets                                                                        |        |          |                 |         |         |                        |              | 147             |
| Deferred tax assets                                                                 |        |          |                 |         |         |                        |              | 3,377           |
| <b>Consolidated total assets</b>                                                    |        |          |                 |         |         |                        |              | <b>P389,307</b> |
| <b>Consolidated total liabilities</b>                                               |        |          |                 |         |         |                        |              |                 |
| Segment liabilities                                                                 |        | P51,804  | P21,501         | P6,924  | P7,147  | P87,376                | (P7,511)     | P79,865         |
| Loans payable                                                                       |        |          |                 |         |         |                        |              | 14,346          |
| Long-term debt                                                                      |        |          |                 |         |         |                        |              | 80,800          |
| Lease liabilities                                                                   |        |          |                 |         |         |                        |              | 5,592           |
| Income and other taxes payable                                                      |        |          |                 |         |         |                        |              | 11,369          |
| Dividends and interest payable                                                      |        |          |                 |         |         |                        |              | 561             |
| Deferred tax liabilities                                                            |        |          |                 |         |         |                        |              | 31              |
| <b>Consolidated total liabilities</b>                                               |        |          |                 |         |         |                        |              | <b>P192,564</b> |
| Capital expenditures                                                                | 13     | P10,993  | P3,310          | P1,199  | P8      | P15,510                | P -          | P15,510         |
| Depreciation of property, plant and equipment                                       | 13, 25 | 4,825    | 2,033           | 724     | 1       | 7,583                  | -            | 7,583           |
| Non-cash items and others (excluding depreciation of property, plant and equipment) |        | 4,547    | 6,803           | 68      | (9)     | 11,409                 | (22)         | 11,387          |
| Impairment losses                                                                   |        | 453      | 188             | -       | -       | 641                    | -            | 641             |

\* Includes Parent Company, Nine Dots and SKVI

2024

|                                                        | Note | Food     | Beer and<br>NAB | Spirits | Others* | Reportable<br>Segments | Eliminations | Consolidated |
|--------------------------------------------------------|------|----------|-----------------|---------|---------|------------------------|--------------|--------------|
| Sales                                                  |      |          |                 |         |         |                        |              |              |
| External                                               |      | P185,014 | P153,355        | P62,503 | P -     | P400,872               | P -          | P400,872     |
| Inter-segment                                          |      | 2        | 7               | 2       | 15      | 26                     | (26)         | -            |
| Total sales                                            |      | P185,016 | P153,362        | P62,505 | P15     | P400,898               | (P26)        | P400,872     |
| Expenses                                               |      |          |                 |         |         |                        |              |              |
| Inventories                                            |      | P125,049 | P16,204         | P17,603 | P -     | P158,856               | (P11)        | P158,845     |
| Excise taxes                                           |      | -        | 71,140          | 27,481  | -       | 98,621                 | -            | 98,621       |
| Total expenses                                         |      | P125,049 | P87,344         | P45,084 | P -     | P257,477               | (P11)        | P257,466     |
| Results                                                |      |          |                 |         |         |                        |              |              |
| Segment operating result                               |      | P13,301  | P33,422         | P8,596  | P465    | P55,784                | P8           | P55,792      |
| Interest expense and other financing charges           |      |          |                 |         |         |                        |              | (4,809)      |
| Interest income                                        |      |          |                 |         |         |                        |              | 3,788        |
| Gain on sale of investments and property and equipment |      |          |                 |         |         |                        |              | 19           |
| Other income (charges) - net                           |      |          |                 |         |         |                        |              | (1,123)      |
| Income tax expense                                     |      |          |                 |         |         |                        |              | (12,734)     |
| Net income                                             |      |          |                 |         |         |                        |              | P40,933      |
| Attributable to:                                       |      |          |                 |         |         |                        |              |              |
| Equity holders of the Parent Company                   |      |          |                 |         |         |                        |              | P25,743      |
| Non-controlling interests                              |      |          |                 |         |         |                        |              | 15,190       |
| Net income                                             |      |          |                 |         |         |                        |              | P40,933      |
| Forward                                                |      |          |                 |         |         |                        |              |              |

2024

|                                                                                     | Note   | Food     | Beer and<br>NAB | Spirits | Others* | Total<br>Reportable<br>Segments | Eliminations | Consolidated |
|-------------------------------------------------------------------------------------|--------|----------|-----------------|---------|---------|---------------------------------|--------------|--------------|
| Other Information                                                                   |        |          |                 |         |         |                                 |              |              |
| Segments assets                                                                     |        | P162,818 | P124,727        | P28,180 | P1,523  | P317,248                        | (P4,434)     | P312,814     |
| Investments                                                                         |        | 52       | 15,832          | 1,500   | 358,390 | 375,774                         | (358,386)    | 17,388       |
| Right-of-use assets - net                                                           |        |          |                 |         |         |                                 |              | 4,923        |
| Goodwill, trademarks and brand names                                                |        |          |                 |         |         |                                 |              | 38,163       |
| Other assets                                                                        |        |          |                 |         |         |                                 |              | 161          |
| Deferred tax assets                                                                 |        |          |                 |         |         |                                 |              | 3,657        |
| Consolidated total assets                                                           |        |          |                 |         |         |                                 |              | P377,106     |
| Segment liabilities                                                                 |        | P55,800  | P21,518         | P6,689  | P4,089  | P88,096                         | (P4,482)     | P83,614      |
| Loans payable                                                                       |        |          |                 |         |         |                                 |              | 17,103       |
| Long-term debt                                                                      |        |          |                 |         |         |                                 |              | 79,980       |
| Lease liabilities                                                                   |        |          |                 |         |         |                                 |              | 5,599        |
| Income and other taxes payable                                                      |        |          |                 |         |         |                                 |              | 10,034       |
| Dividends and interest payable                                                      |        |          |                 |         |         |                                 |              | 564          |
| Deferred tax liabilities                                                            |        |          |                 |         |         |                                 |              | 23           |
| Consolidated total liabilities                                                      |        |          |                 |         |         |                                 |              | P196,917     |
| Capital expenditures                                                                | 13     | P10,632  | P4,086          | P1,957  | P12     | P16,687                         | P -          | P16,687      |
| Depreciation of property, plant and equipment                                       | 13, 25 | 4,043    | 1,945           | 661     | -       | 6,649                           | -            | 6,649        |
| Non-cash items and others (excluding depreciation of property, plant and equipment) |        | 4,406    | 5,910           | 50      | (45)    | 10,321                          | (21)         | 10,300       |
| Impairment losses                                                                   |        | 1,048    | 713             | -       | -       | 1,761                           | -            | 1,761        |

\* Includes the Parent Company and Nine Dots

2023

|                                                        | Note | Food     | Beer and<br>NAB | Spirits | Others* | Reportable<br>Segments | Eliminations | Consolidated |
|--------------------------------------------------------|------|----------|-----------------|---------|---------|------------------------|--------------|--------------|
| Sales                                                  |      |          |                 |         |         |                        |              |              |
| External                                               |      | P178,845 | P147,341        | P53,636 | P -     | P379,822               | P -          | P379,822     |
| Inter-segment                                          |      | 2        | 6               | 3       | -       | 11                     | (11)         | -            |
| Total sales                                            |      | P178,847 | P147,347        | P53,639 | P -     | P379,833               | (P11)        | P379,822     |
| Expenses                                               |      |          |                 |         |         |                        |              |              |
| Inventories                                            |      | P125,649 | P16,503         | P15,886 | P -     | P158,038               | (P11)        | P158,027     |
| Excise taxes                                           |      | -        | 67,829          | 22,991  | -       | 90,820                 | -            | 90,820       |
| Total expenses                                         |      | P125,649 | P84,332         | P38,877 | P -     | P248,858               | (P11)        | P248,847     |
| Segment operating result                               |      | P9,724   | P31,408         | P6,835  | P444    | P48,411                | P -          | P48,411      |
| Interest expense and other financing charges           |      |          |                 |         |         |                        |              | (4,752)      |
| Interest income                                        |      |          |                 |         |         |                        |              | 3,067        |
| Gain on sale of investments and property and equipment |      |          |                 |         |         |                        |              | (2)          |
| Other charges - net                                    |      |          |                 |         |         |                        |              | 3,154        |
| Income tax expense                                     |      |          |                 |         |         |                        |              | (11,773)     |
| Net income                                             |      |          |                 |         |         |                        |              | P38,105      |
| Attributable to:                                       |      |          |                 |         |         |                        |              |              |
| Equity holders of the Parent Company                   |      |          |                 |         |         |                        |              | P23,118      |
| Non-controlling interests                              |      |          |                 |         |         |                        |              | 14,987       |
| Net income                                             |      |          |                 |         |         |                        |              | P38,105      |
| Forward                                                |      |          |                 |         |         |                        |              |              |

2023

|                                                                                     | Note   | Food     | Beer and<br>NAB | Spirits | Others* | Total<br>Reportable<br>Segments | Eliminations | Consolidated |
|-------------------------------------------------------------------------------------|--------|----------|-----------------|---------|---------|---------------------------------|--------------|--------------|
| Other Information                                                                   |        |          |                 |         |         |                                 |              |              |
| Segments assets                                                                     |        | P147,790 | P118,036        | P25,498 | P1,426  | P292,750                        | (P164)       | P292,586     |
| Investments                                                                         |        | 46       | 15,580          | 1,500   | 358,393 | 375,519                         | (358,391)    | 17,128       |
| Right-of-use assets - net                                                           |        |          |                 |         |         |                                 |              | 4,633        |
| Goodwill, trademarks and brand names                                                |        |          |                 |         |         |                                 |              | 38,084       |
| Other assets                                                                        |        |          |                 |         |         |                                 |              | 135          |
| Deferred tax assets                                                                 |        |          |                 |         |         |                                 |              | 3,209        |
| Consolidated total assets                                                           |        |          |                 |         |         |                                 |              | P355,775     |
| Segment liabilities                                                                 |        | P43,750  | P19,806         | P6,554  | P4,047  | P74,157                         | (P134)       | P74,023      |
| Loans payable                                                                       |        |          |                 |         |         |                                 |              | 14,684       |
| Long-term debt                                                                      |        |          |                 |         |         |                                 |              | 82,810       |
| Lease liabilities                                                                   |        |          |                 |         |         |                                 |              | 5,176        |
| Income and other taxes payable                                                      |        |          |                 |         |         |                                 |              | 9,668        |
| Dividends and interest payable                                                      |        |          |                 |         |         |                                 |              | 273          |
| Deferred tax liabilities                                                            |        |          |                 |         |         |                                 |              | 26           |
| Consolidated total liabilities                                                      |        |          |                 |         |         |                                 |              | 186,660      |
| Capital expenditures                                                                | 13     | P11,192  | P3,590          | P1,454  | P -     | P16,236                         | P -          | P16,236      |
| Depreciation of property, plant and equipment                                       | 13, 25 | 3,472    | 1,875           | 615     | -       | 5,962                           | -            | 5,962        |
| Non-cash items and others (excluding depreciation of property, plant and equipment) |        | 4,802    | 5,277           | 11      | (10)    | 10,080                          | -            | 10,080       |
| Impairment Losses                                                                   |        | 138      | 610             | 30      | -       | 778                             | -            | 778          |

\* Includes the Parent Company and Nine Dots



Disaggregation of Revenue:

The following table shows the disaggregation of revenue by timing of revenue recognition and the reconciliation of the disaggregated revenue with the Group's reportable segments:

|                                   | Food            |          |          | Beer and NAB    |          |          | Spirits        |         |         | Consolidated    |          |          |
|-----------------------------------|-----------------|----------|----------|-----------------|----------|----------|----------------|---------|---------|-----------------|----------|----------|
|                                   | 2025            | 2024     | 2023     | 2025            | 2024     | 2023     | 2025           | 2024    | 2023    | 2025            | 2024     | 2023     |
| Sales recognized at point in time | <b>P196,261</b> | P184,990 | P178,824 | <b>P155,430</b> | P153,355 | P147,341 | <b>P67,352</b> | P62,503 | P53,636 | <b>P419,043</b> | P400,848 | P379,801 |
| Sales recognized over time        | <b>17</b>       | 24       | 21       | -               | -        | -        | -              | -       | -       | <b>17</b>       | 24       | 21       |
| <b>Total External Sales</b>       | <b>P196,278</b> | P185,014 | P178,845 | <b>P155,430</b> | P153,355 | P147,341 | <b>P67,352</b> | P62,503 | P53,636 | <b>P419,060</b> | P400,872 | P379,822 |

## 7. Cash and Cash Equivalents

This account consists of:

|                           | <i>Note</i>      | <b>2025</b>    | 2024    |
|---------------------------|------------------|----------------|---------|
| Cash in banks and on hand |                  | <b>P16,701</b> | P15,973 |
| Short-term investments    |                  | <b>47,805</b>  | 42,248  |
|                           | <b>4, 33, 34</b> | <b>P64,506</b> | P58,221 |

Cash in banks earn interest at bank deposit rates. Short-term investments include demand deposits which can be withdrawn at any time depending on the immediate cash requirements of the Group and earn interest at short-term investment rates (Note 27).

## 8. Trade and Other Receivables

This account consists of:

|                                      | <i>Note</i>      | <b>2025</b>    | 2024    |
|--------------------------------------|------------------|----------------|---------|
| Trade                                |                  | <b>P27,481</b> | P26,621 |
| Non-trade                            |                  | <b>1,308</b>   | 1,317   |
| Amounts owed by related parties      | 30               | <b>2,237</b>   | 2,659   |
|                                      |                  | <b>31,026</b>  | 30,597  |
| Less allowance for impairment losses | 4                | <b>1,135</b>   | 1,141   |
|                                      | <b>4, 33, 34</b> | <b>P29,891</b> | P29,456 |

Trade receivables are non-interest bearing and are generally on a 30 to 60-day term.

Non-trade receivables include advances to contract growers and breeders, receivables from truckers and toll partners, insurance and freight claims, receivables from employees, interest and others.

The movements in the allowance for impairment losses are as follows:

|                              | <i>Note</i> | <b>2025</b>   | 2024   |
|------------------------------|-------------|---------------|--------|
| Balance at beginning of year |             | <b>P1,141</b> | P1,185 |
| Provisions during year - net | 24          | <b>16</b>     | 31     |
| Amounts written off          | 4           | <b>(22)</b>   | (75)   |
| Balance at end of year       |             | <b>P1,135</b> | P1,141 |

## 9. Inventories

This account consists of:

|                                     | <i>Note</i> | <b>2025</b>    | 2024    |
|-------------------------------------|-------------|----------------|---------|
| At net realizable value:            |             |                |         |
| Finished goods and goods in process |             | <b>P14,212</b> | P14,026 |
| Materials and supplies              |             | <b>29,447</b>  | 33,556  |
|                                     | <b>4</b>    | <b>P43,659</b> | P47,582 |

The cost of inventories as at December 31 are as follows:

|                                     | <b>2025</b>    | <b>2024</b> |
|-------------------------------------|----------------|-------------|
| Finished goods and goods in process | <b>P14,418</b> | P14,301     |
| Materials and supplies              | <b>29,672</b>  | 33,783      |
|                                     | <b>P44,090</b> | P48,084     |

The write-down of inventories amounted to P235, P275 and P200 in 2025, 2024 and 2023, respectively (Notes 4 and 23). The Group has written off inventories amounting to P302, P314 and P97 in 2025, 2024 and 2023, respectively.

The allowance for write-down of inventories to net realizable value amounted to P431 and P502 as at December 31, 2025 and 2024, respectively.

The cost of inventories used recognized under "Cost of sales" account in consolidated statements of income amounted to P162,354, P158,845 and P158,027 in 2025, 2024 and 2023, respectively (Note 23).

The fair value of agricultural produce less costs to sell, which formed part of the cost of the finished goods inventory, amounted to P133 and P137 as at December 31, 2025 and 2024, respectively, with corresponding costs at point of harvest amounting to P106 and P112, respectively. Net unrealized gain on fair valuation of agricultural produce amounted to P27, P25 and P8 in 2025, 2024 and 2023, respectively (Note 22).

The fair values of marketable hogs and grown broilers, which comprise the Group's agricultural produce, are categorized as Level 1 and Level 3, respectively, in the fair value hierarchy based on the inputs used in the valuation techniques.

The valuation model used is based on the following: (a) quoted prices for harvested mature grown broilers at the time of harvest; and (b) quoted prices in the market at any given time for marketable hogs; provided that there has been no significant change in economic circumstances between the date of the transactions and the reporting date. Costs to sell are estimated based on the most recent transaction and is deducted from the fair value to measure the fair value of agricultural produce at point of harvest. The estimated fair value would increase (decrease) if weight and quality premiums increase (decrease) (Note 4).

## 10. Biological Assets

This account consists of:

|                       | <b>Note</b> | <b>2025</b>   | <b>2024</b> |
|-----------------------|-------------|---------------|-------------|
| Current:              |             |               |             |
| Growing stocks        |             | <b>P2,218</b> | P2,446      |
| Goods in process      |             | <b>856</b>    | 795         |
|                       |             | <b>3,074</b>  | 3,241       |
| Noncurrent:           |             |               |             |
| Breeding stocks - net |             | <b>2,661</b>  | 2,652       |
|                       | <b>4</b>    | <b>P5,735</b> | P5,893      |

Growing stocks pertain to growing hogs and poultry livestock, while goods in process pertain to hatching eggs.

The amortization of breeding stocks recognized in the consolidated statements of income amounted to P3,508, P3,339 and P4,054 in 2025, 2024 and 2023 respectively (Note 25).

The movements in biological assets are as follows:

|                                 | <b>Note</b> | <b>2025</b>     | <b>2024</b> |
|---------------------------------|-------------|-----------------|-------------|
| <b>Cost</b>                     |             |                 |             |
| Balance at beginning of year    |             | <b>P5,907</b>   | P6,210      |
| Increase (decrease) due to:     |             |                 |             |
| Production                      |             | <b>66,888</b>   | 61,112      |
| Purchases                       |             | <b>1,437</b>    | 897         |
| Mortality                       |             | <b>(280)</b>    | (338)       |
| Harvest                         |             | <b>(64,681)</b> | (58,580)    |
| Retirement                      |             | <b>(3,515)</b>  | (3,394)     |
| <b>Balance at end of year</b>   |             | <b>5,756</b>    | 5,907       |
| <b>Accumulated Amortization</b> |             |                 |             |
| Balance at beginning of year    |             | <b>14</b>       | 28          |
| Amortization                    | 25          | <b>3,508</b>    | 3,339       |
| Retirement                      |             | <b>(3,501)</b>  | (3,353)     |
| <b>Balance at end of year</b>   |             | <b>21</b>       | 14          |
| <b>Carrying Amount</b>          |             | <b>P5,735</b>   | P5,893      |

The Group harvested approximately 600.6 million and 574.0 million kilograms of grown broilers in 2025 and 2024, respectively, and 0.03 million heads of marketable hogs in 2025 and 2024.

The aggregate fair value less estimated costs to sell of agricultural produce harvested during the year, determined at the point of harvest, amounted to P66,193 and P61,738 in 2025 and 2024, respectively.

## 11. Prepaid Expenses and Other Current Assets

This account consists of:

|                                       | <b>Note</b> | <b>2025</b>   | <b>2024</b> |
|---------------------------------------|-------------|---------------|-------------|
| Prepaid income tax                    | 36          | <b>P2,864</b> | P3,439      |
| Input tax                             |             | <b>639</b>    | 782         |
| Prepaid expenses                      | 30          | <b>958</b>    | 797         |
| Restricted cash                       | 33, 34      | <b>215</b>    | 228         |
| Advances to contractors and suppliers |             | <b>195</b>    | 151         |
| Derivative assets                     | 33, 34      | <b>37</b>     | 85          |
| Others                                |             | <b>38</b>     | 24          |
|                                       |             | <b>P4,946</b> | P5,506      |

Prepaid expenses include prepaid rent, insurance, promotional expenses and various operating expenses.

Prepaid insurance and rent owed by related parties amounting to P302 and P271 as at December 31, 2025 and 2024, respectively (Note 30).

The methods and assumptions used to estimate the fair value of derivative assets are discussed in Note 34.

## 12. Investments

This account consists of:

|                                                   | <b>Note</b> | <b>2025</b>    | <b>2024</b> |
|---------------------------------------------------|-------------|----------------|-------------|
| Investments in debt instruments at amortized cost | 33, 34      | <b>P11,500</b> | P11,500     |
| Investments in equity securities at FVOCI         | 33, 34      | <b>5,990</b>   | 5,888       |
| Investments in associate and joint ventures - net |             | <b>1,182</b>   | -           |
|                                                   | <b>4</b>    | <b>P18,672</b> | P17,388     |

### Investments in Debt Instruments At Amortized Cost

On December 12, 2022, the Group has investment in debt instruments amounting to P11,500, which bear an annual average interest rate of 6.90% and maturities up to seven years (Notes 33 and 34).

### Investments in Equity Securities at FVOCI

This account consists of:

|                                       | <b>Note</b>   | <b>2025</b>   | <b>2024</b> |
|---------------------------------------|---------------|---------------|-------------|
| Redeemable perpetual securities (RPS) |               | <b>P5,879</b> | P5,785      |
| Other equity securities               |               | <b>111</b>    | 103         |
|                                       | <b>33, 34</b> | <b>P5,990</b> | P5,888      |

On August 4, 2020, SMB, through San Miguel Brewing International Ltd. (SMBIL), signed a subscription agreement with SMC for the subscription of the latter's RPS with aggregate face value amount of \$100 or P4,850. The RPS are direct, unconditional, unsecured and subordinated capital securities with no fixed redemption date. SMBIL will have the right to receive distribution at 2.5% per annum, payable quarterly in arrears every November 5, February 5, May 5 and August 5 of each year commencing on November 5, 2020. SMC has a right to defer this distribution under certain conditions. SMBIL received dividend income amounting to P144, P144 and P139 for the years ended December 31, 2025, 2024 and 2023, respectively and are presented as part of "Other income (charges) - net" in the consolidated statements of income.

The methods and assumptions used to estimate the fair value of financial assets at FVOCI are discussed in Note 34.

### Investments in Shares of Stock of an Associate

#### a. E8A

On September 22, 2025, SKVI purchased shares of stocks equivalent to 15% equity interest in E8A which primary purpose is to invest its funds in businesses as an investment holding entity.

The movements and balance as at December 31, 2025 are as follows:

|                              | <b>2025</b>   |
|------------------------------|---------------|
| Balance at beginning of year | <b>P -</b>    |
| Acquisition of investment    | <b>1,169</b>  |
| Share in net income          | <b>13</b>     |
| Balance at end of year       | <b>P1,182</b> |

The details of the investment in EA8 which is accounted for using the equity method are as follows:

|                                            | <b>2025</b>    |
|--------------------------------------------|----------------|
| Current assets                             | <b>P2,627</b>  |
| Noncurrent assets                          | <b>4,418</b>   |
| Current liabilities                        | <b>(2,282)</b> |
| Noncurrent liabilities                     | <b>(775)</b>   |
| Net assets                                 | <b>3,988</b>   |
| Percentage of ownership                    | <b>15.0%</b>   |
| Amount of investment in associate          | <b>P1,169</b>  |
| Carrying amount of investment in associate | <b>P1,182</b>  |

|                         | <b>2025*</b>   |
|-------------------------|----------------|
| Sales                   | <b>2,446</b>   |
| Cost of sales           | <b>(1,980)</b> |
| Operating expenses      | <b>(325)</b>   |
| Other charges and taxes | <b>(54)</b>    |
| Net income              | <b>87</b>      |
| Percentage of ownership | <b>15%</b>     |
| Share in net earnings   | <b>P13</b>     |

*\*From the acquisition date of September 22 to December 31, 2025*

### Investments in Shares of Stock of Joint Ventures

#### a. TSML

GSML, through GSMIL, has an existing joint venture with Thai Life Group of Companies (Thai Life) covering the ownership and operations of TSML. TSML is a limited company organized under the laws of Thailand in which GSML owns 44.9% effective ownership interest. TSML holds a license in Thailand to engage in the business of manufacturing alcohol and manufacturing, selling and distributing brandy, wine and distilled spirits products both for domestic and export markets.

The details of the investment in TSML which is accounted for using the equity method are as follows:

|                                                      | <b>2025</b>    | 2024    |
|------------------------------------------------------|----------------|---------|
| Current assets                                       | <b>P221</b>    | P270    |
| Noncurrent assets                                    | <b>697</b>     | 670     |
| Current liabilities                                  | <b>(1,508)</b> | (1,369) |
| Net liabilities                                      | <b>(590)</b>   | (429)   |
| Percentage of ownership                              | <b>44.9%</b>   | 44.9%   |
| Amount of investment in joint venture                | <b>P -</b>     | P -     |
| Carrying amount of investment in joint venture - net | <b>P -</b>     | P -     |
|                                                      | <b>2025</b>    | 2024    |
| Sales                                                | <b>P -</b>     | P1      |
| Cost of sales                                        | <b>(40)</b>    | (44)    |
| Operating expenses                                   | <b>(29)</b>    | (25)    |
| Other charges                                        | <b>(34)</b>    | (37)    |
| Net loss                                             | <b>(103)</b>   | (105)   |
| Percentage of ownership                              | <b>44.9%</b>   | 44.9%   |
| Share in net loss                                    | <b>(46)</b>    | (47)    |
| Share in other comprehensive loss                    | <b>-</b>       | -       |
| Total comprehensive loss                             | <b>(P46)</b>   | (P47)   |

The recoverable amount of investment in TSML has been determined based on a valuation using cash flow projections covering a five-year period based on long range plans approved by management. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined per individual cash-generating unit. The determined growth rate 3% and is consistent with the long-term average growth rate for the industry. The discount rate applied to after tax cash flow projections is 10% and also imputes the risk of the cash-generating units compared to the respective risk of the overall market and equity risk premium. Accumulated impairment losses amounted to P244 as at December 31, 2025 and 2024.

The recoverable amount of investment in TSML has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 3).

The Group discontinued recognizing its share in the net losses of TSML since the cumulative losses already exceeded the cost of investment. If TSML reports profits subsequently, the Group resumes recognizing its share of those profits after its share of the profits equals the share of net losses not recognized. Total unrecognized share in net losses amounted to P506 and P459 as at December 31, 2025 and 2024, respectively.

b. TGT

GSMI, through GSMIHL, also has an existing 44.9% effective ownership interest in TGT, which was formed as another joint venture with Thai Life. TGT functions as the selling and distribution arm of TSML.

The details of the investment in TGT which is accounted for using the equity method are as follows:

|                                                      | <b>2025</b>    | 2024    |
|------------------------------------------------------|----------------|---------|
| Current assets                                       | <b>P8</b>      | P19     |
| Current liabilities                                  | <b>(1,134)</b> | (1,029) |
| Net liabilities                                      | <b>(1,126)</b> | (1,010) |
| Percentage of ownership                              | <b>44.9%</b>   | 44.9%   |
| Amount of investment in joint venture                | <b>P -</b>     | P -     |
| Carrying amount of investment in joint venture - net | <b>P -</b>     | P -     |
|                                                      | <b>2025</b>    | 2024    |
| Sales                                                | <b>P -</b>     | P -     |
| Cost of sales                                        | -              | -       |
| Operating expenses                                   | <b>(12.5)</b>  | (0.1)   |
| Net loss                                             | <b>(12.5)</b>  | (0.1)   |
| Percentage of ownership                              | <b>44.9%</b>   | 44.9%   |
| Share in net loss                                    | <b>(6)</b>     | -       |
| Share in other comprehensive loss                    | -              | -       |
| Total comprehensive loss                             | <b>(P6)</b>    | P -     |

GSMI discontinued recognizing its share in the net losses of TGT since the cumulative losses already exceeded the cost of investment. If TGT reports profits subsequently, GSMI resumes recognizing its share of those profits after its share of the profits equals the share of net losses not recognized. Total unrecognized share in net losses amounted to P301 and P295 as at December 31, 2025 and 2024, respectively.



### 13. Property, Plant and Equipment

This account consists of:

|                                  | Note | Land<br>and Land<br>Improvements | Buildings and<br>Improvements | Machinery and<br>Equipment | Furniture,<br>Other<br>Equipment and<br>Others | Leasehold<br>Improvements | Capital<br>Projects in<br>Progress | Total          |
|----------------------------------|------|----------------------------------|-------------------------------|----------------------------|------------------------------------------------|---------------------------|------------------------------------|----------------|
| <b>Cost</b>                      |      |                                  |                               |                            |                                                |                           |                                    |                |
| January 1, 2024                  |      | P18,676                          | P43,681                       | P101,124                   | P7,247                                         | P2,152                    | P33,992                            | P206,872       |
| Acquisition of a subsidiary      |      | 121                              | -                             | -                          | -                                              | -                         | -                                  | 121            |
| Additions                        |      | 2                                | 255                           | 141                        | 180                                            | 4                         | 16,105                             | 16,687         |
| Disposals                        |      | -                                | (19)                          | (483)                      | (200)                                          | (1)                       | (3)                                | (706)          |
| Reclassifications                |      | 791                              | 6,033                         | 6,970                      | 897                                            | 165                       | (13,938)                           | 918            |
| Currency translation adjustments |      | 61                               | 330                           | 775                        | 21                                             | -                         | 7                                  | 1,194          |
| December 31, 2024                |      | 19,651                           | 50,280                        | 108,527                    | 8,145                                          | 2,320                     | 36,163                             | 225,086        |
| Additions                        |      | 290                              | 1,480                         | 207                        | 499                                            | 15                        | 13,019                             | 15,510         |
| Disposals                        |      | -                                | (35)                          | (1,279)                    | (149)                                          | -                         | -                                  | (1,463)        |
| Reclassifications                |      | 2,020                            | 7,051                         | 7,978                      | 1,365                                          | 1,314                     | (19,206)                           | 522            |
| Currency translation adjustments |      | 114                              | 266                           | 758                        | 16                                             | -                         | 2                                  | 1,156          |
| <b>December 31, 2025</b>         |      | <b>22,075</b>                    | <b>59,042</b>                 | <b>116,191</b>             | <b>9,876</b>                                   | <b>3,649</b>              | <b>29,978</b>                      | <b>240,811</b> |
| <b>Accumulated Depreciation</b>  |      |                                  |                               |                            |                                                |                           |                                    |                |
| January 1, 2024                  |      | 1,907                            | 13,007                        | 55,589                     | 4,021                                          | 596                       | -                                  | 75,120         |
| Depreciation                     | 25   | 198                              | 1,364                         | 4,196                      | 783                                            | 108                       | -                                  | 6,649          |
| Disposals                        |      | -                                | (19)                          | (391)                      | (193)                                          | (1)                       | -                                  | (604)          |
| Reclassifications                |      | -                                | 1                             | (7)                        | (15)                                           | -                         | -                                  | (21)           |
| Currency translation adjustments |      | 2                                | 150                           | 384                        | 15                                             | -                         | -                                  | 551            |
| December 31, 2024                |      | 2,107                            | 14,503                        | 59,771                     | 4,611                                          | 703                       | -                                  | 81,695         |
| Depreciation                     |      | 165                              | 1,628                         | 4,706                      | 955                                            | 129                       | -                                  | 7,583          |
| Disposals                        | 25   | -                                | (24)                          | (1,160)                    | (142)                                          | -                         | -                                  | (1,326)        |
| Reclassifications                |      | 9                                | (29)                          | 107                        | (2)                                            | 4                         | -                                  | 89             |
| Currency translation adjustments |      | 3                                | 114                           | 400                        | 13                                             | -                         | -                                  | 530            |
| <b>December 31, 2025</b>         |      | <b>2,284</b>                     | <b>16,192</b>                 | <b>63,824</b>              | <b>5,435</b>                                   | <b>836</b>                | <b>-</b>                           | <b>88,571</b>  |

Forward

|                                      | Land<br>and Land<br>Improvements | Buildings and<br>Improvements | Machinery and<br>Equipment | Furniture,<br>Other<br>Equipment and<br>Others | Leasehold<br>Improvements | Capital<br>Projects in<br>Progress | Total           |
|--------------------------------------|----------------------------------|-------------------------------|----------------------------|------------------------------------------------|---------------------------|------------------------------------|-----------------|
| <b>Accumulated Impairment Losses</b> |                                  |                               |                            |                                                |                           |                                    |                 |
| January 1, 2024                      | P -                              | P3,301                        | P10,384                    | P66                                            | P1                        | P -                                | P13,752         |
| Impairment                           | -                                | 460                           | 168                        | 45                                             | -                         | -                                  | 673             |
| Disposals                            | -                                | -                             | (91)                       | (1)                                            | -                         | -                                  | (92)            |
| Currency translation adjustments     | -                                | 104                           | 361                        | 3                                              | -                         | -                                  | 468             |
| December 31, 2024                    | -                                | 3,865                         | 10,822                     | 113                                            | 1                         | -                                  | 14,801          |
| Impairment                           | 274                              | -                             | -                          | -                                              | -                         | -                                  | 274             |
| Disposals                            | -                                | (7)                           | (104)                      | (2)                                            | -                         | -                                  | (113)           |
| Reclassifications                    | -                                | (1)                           | 45                         | 1                                              | -                         | -                                  | 45              |
| Currency translation adjustments     | -                                | 130                           | 333                        | 2                                              | -                         | -                                  | 465             |
| <b>December 31, 2025</b>             | <b>274</b>                       | <b>3,987</b>                  | <b>11,096</b>              | <b>114</b>                                     | <b>1</b>                  | <b>-</b>                           | <b>15,472</b>   |
| <b>Carrying Amount</b>               |                                  |                               |                            |                                                |                           |                                    |                 |
| December 31, 2024                    | P17,544                          | P31,912                       | P37,934                    | P3,421                                         | P1,616                    | P36,163                            | P128,590        |
| <b>December 31, 2025</b>             | <b>P19,517</b>                   | <b>P38,863</b>                | <b>P41,271</b>             | <b>P4,327</b>                                  | <b>P2,812</b>             | <b>P29,978</b>                     | <b>P136,768</b> |

Depreciation recognized in the consolidated statements of income amounted to P7,583, P6,649 and P5,962 in 2025, 2024 and 2023, respectively (Note 25).

The Group has interest amounting to P1,165, P1,409 and P1,155 which were capitalized in 2025, 2024 and 2023, respectively. The capitalization rates used to determine the amount of interest eligible for capitalization ranged from 4.47% to 6.84%, 5.56% to 6.24% and 4.82% to 6.08% in 2025, 2024 and 2023, respectively. The unamortized capitalized borrowing costs amounted to P8,709 and P4,866 as at December 31, 2025 and 2024, respectively.

Certain fully depreciated property, plant and equipment with aggregate cost of P49,678 and P46,262 as at December 31, 2025 and 2024, respectively, are still being used in the Group's operations.

In 2024, SMBHK identified a shortfall in the actual results against previous forecasts due to various factors, including but not limited to, a decline in demand for its own brewed products in light of fierce market competition and more outbound travel spending. Indicators of impairment existed for the noncurrent assets employed in the manufacturing operations in Hong Kong, comprising primarily the production plant and machineries.

SMBHK determined the recoverable amount of the cash-generating unit to which these assets belong to be P1,706 as at December 31, 2024, which is lower than the carrying amount. Based on SMBHK management's assessment, impairment loss of P673 was recognized on the property, plant and equipment employed in SMBHK's production plant and presented as "impairment losses on noncurrent assets" account in the consolidated statements of income for the year ended December 31, 2024. The recoverable amount of SMBHK's production plant has been determined based on a value-in-use calculation. The calculation uses cash flow projections based on the business forecasts approved by management covering a period of five years. Cash flows beyond the five-year period are extrapolated using a steady annual growth rate. The pre-tax discount rate used in the value-in-use calculation as at December 31, 2024 was 13.3%. As the carrying amount of SMBHK's production plant has been reduced to its recoverable amount, any adverse change in the assumptions used in the value-in-use calculation would result in further impairment losses.

#### 14. Right-of-Use Assets

The movements in this account are as follows:

|                                      | Note | Land, Land and<br>Leasehold<br>Improvements | Buildings and<br>Improvements | Machinery and<br>Equipment | Furniture, Other<br>Equipment<br>and Others | Total         |
|--------------------------------------|------|---------------------------------------------|-------------------------------|----------------------------|---------------------------------------------|---------------|
| <b>Cost</b>                          |      |                                             |                               |                            |                                             |               |
| January 1, 2024                      |      | P5,094                                      | P2,336                        | P36                        | P367                                        | P7,833        |
| Additions                            |      | 247                                         | 788                           | 3                          | 4                                           | 1,042         |
| Reclassifications                    |      | (96)                                        | (303)                         | -                          | (1)                                         | (400)         |
| Currency translation adjustments     |      | 48                                          | -                             | 2                          | -                                           | 50            |
| December 31, 2024                    |      | 5,293                                       | 2,821                         | 41                         | 370                                         | 8,525         |
| Additions                            |      | 776                                         | 64                            | 3                          | 40                                          | 883           |
| Reclassifications                    |      | (233)                                       | (106)                         | (6)                        | (4)                                         | (349)         |
| Currency translation adjustments     |      | 37                                          | 1                             | 1                          | -                                           | 39            |
| <b>December 31, 2025</b>             |      | <b>5,873</b>                                | <b>2,780</b>                  | <b>39</b>                  | <b>406</b>                                  | <b>9,098</b>  |
| <b>Accumulated Depreciation</b>      |      |                                             |                               |                            |                                             |               |
| January 1, 2024                      |      | 1,564                                       | 1,195                         | 13                         | 340                                         | 3,112         |
| Depreciation                         | 25   | 291                                         | 545                           | 5                          | 17                                          | 858           |
| Reclassifications                    |      | (51)                                        | (431)                         | -                          | (1)                                         | (483)         |
| Currency translation adjustments     |      | 22                                          | -                             | 1                          | -                                           | 23            |
| December 31, 2024                    |      | 1,826                                       | 1,309                         | 19                         | 356                                         | 3,510         |
| Depreciation                         | 25   | 409                                         | 495                           | 5                          | 29                                          | 938           |
| Reclassifications                    |      | (168)                                       | (103)                         | -                          | (8)                                         | (279)         |
| Currency translation adjustments     |      | 21                                          | 1                             | -                          | -                                           | 22            |
| <b>December 31, 2025</b>             |      | <b>2,088</b>                                | <b>1,702</b>                  | <b>24</b>                  | <b>377</b>                                  | <b>4,191</b>  |
| <b>Accumulated Impairment Losses</b> |      |                                             |                               |                            |                                             |               |
| January 1, 2024                      |      | 88                                          | -                             | -                          | -                                           | 88            |
| Currency translation adjustments     |      | 4                                           | -                             | -                          | -                                           | 4             |
| December 31, 2024                    |      | 92                                          | -                             | -                          | -                                           | 92            |
| Currency translation adjustment      |      | 1                                           | -                             | -                          | -                                           | 1             |
| <b>December 31, 2025</b>             |      | <b>93</b>                                   | <b>-</b>                      | <b>-</b>                   | <b>-</b>                                    | <b>93</b>     |
| <b>Carrying Amount</b>               |      |                                             |                               |                            |                                             |               |
| December 31, 2024                    |      | P3,375                                      | P1,512                        | P22                        | P14                                         | P4,923        |
| <b>December 31, 2025</b>             |      | <b>P3,692</b>                               | <b>P1,078</b>                 | <b>P15</b>                 | <b>P29</b>                                  | <b>P4,814</b> |

The Group recognized right-of-use assets for leases of office space, warehouse, factory facilities, machineries and equipment and furniture and other equipment. The leases typically run for a period of more than two to 50 years. Some leases contain an option to renew the lease at the end of the lease term and are being subjected to reviews to reflect current market rentals. The renewal option provides operational flexibility in managing the leased asset portfolio and aligns the business needs of the Group.

The Group recognized interest expense related to these leases amounting to P512, P424 and P381 in 2025, 2024 and 2023, respectively (Note 27). The Group also has certain leases of property and equipment with lease terms of 12 months or less and leases of equipment with low value. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases. The expenses relating to short-term leases and leases of low-value assets amounted to P175, P272 and P365 in 2025, 2024 and 2023, respectively (Notes 24 and 32).

The Group had total cash outflows for leases of P1,794, P1,797 and P1,476 in 2025, 2024 and 2023 respectively (Note 32).

## 15. Investment Property

The movements in this account are as follows:

|                                          | Note | Land and<br>Land<br>Improvements | Land<br>Use<br>Rights | Buildings and<br>Improvements | Total         |
|------------------------------------------|------|----------------------------------|-----------------------|-------------------------------|---------------|
| <b>Cost</b>                              |      |                                  |                       |                               |               |
| January 1, 2024                          |      | P2,743                           | P726                  | P891                          | P4,360        |
| Additions                                |      | 1                                | -                     | -                             | 1             |
| Reclassifications                        |      | 41                               | -                     | -                             | 41            |
| Currency translation<br>adjustments      |      | -                                | 37                    | 41                            | 78            |
| December 31, 2024                        |      | 2,785                            | 763                   | 932                           | 4,480         |
| Additions                                |      | 1                                | 4                     | -                             | 5             |
| Disposals                                |      | (1)                              | -                     | -                             | (1)           |
| Reclassification                         |      | 29                               | 2                     | 751                           | 782           |
| Currency translation<br>adjustments      |      | -                                | 10                    | 12                            | 22            |
| <b>December 31, 2025</b>                 |      | <b>2,814</b>                     | <b>779</b>            | <b>1,695</b>                  | <b>5,288</b>  |
| <b>Accumulated Depreciation</b>          |      |                                  |                       |                               |               |
| January 1, 2024                          |      | -                                | 323                   | 492                           | 815           |
| Depreciation                             | 25   | -                                | 18                    | 22                            | 40            |
| Currency translation<br>adjustments      |      | -                                | 17                    | 24                            | 41            |
| December 31, 2024                        |      | -                                | 358                   | 538                           | 896           |
| Depreciation                             | 25   | -                                | 18                    | 50                            | 68            |
| Currency translation<br>adjustments      |      | -                                | 5                     | 7                             | 12            |
| <b>December 31, 2025</b>                 |      | <b>-</b>                         | <b>381</b>            | <b>595</b>                    | <b>976</b>    |
| <b>Accumulated Impairment<br/>Losses</b> |      |                                  |                       |                               |               |
| December 31, 2024 and 2025               |      | 8                                | -                     | -                             | 8             |
| <b>Carrying Amount</b>                   |      |                                  |                       |                               |               |
| December 31, 2024                        |      | P2,777                           | P405                  | P394                          | P3,576        |
| <b>December 31, 2025</b>                 |      | <b>P2,806</b>                    | <b>P398</b>           | <b>P1,100</b>                 | <b>P4,304</b> |

No impairment loss was recognized in 2025, 2024 and 2023.

The fair value of investment property amounting to P18,307 and P14,679 as at December 31, 2025 and 2024, respectively, has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation techniques (Note 4).

The fair value of investment property was determined by external, independent property appraisers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent appraisers or the credit management group provide the fair value of the Group's investment property on a regular basis.

#### Valuation Technique and Significant Unobservable Inputs

The valuation of investment property applied the following approaches:

*Sales Comparison Approach.* The market value was determined using the Sales Comparison Approach. The comparative approach considers the sale of similar or substitute property, registered within the vicinity, and the related market data. The estimated value is established by process involving comparison. The property being valued is then compared with sales of similar property that have been transacted in the market. Listings and offerings may also be considered. The observable inputs to determine the market value of the property are the following: location characteristics, size, time element, quality and prospective use, bargaining allowance and marketability.

*Income Approach.* The rental value of the subject property was determined using the Income Approach. Under the Income Approach, the market value of the property is determined first, and then the proper capitalization rate is applied to arrive at its rental value. The rental value of the property is determined based on what a prudent lessor or a prospective lessee are willing to pay for its use and occupancy considering the prevailing rental rates of similar property and/or rate of return a prudent lessor generally expects on the return on its investment. A study of current market conditions indicates that the return on capital for similar real estate investment ranges from 3% to 5%.

The valuation using the Income Approach considers the capitalization of net rent income receivable from existing tenancies and the reversionary value of the property after tenancies expire by reference to market sales transactions. The significant unobservable input in the fair value measurement is the discount rate, which ranged from 2% to 4%, and 2% to 4% in 2025 and 2024, respectively.

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## **16. Goodwill and Other Intangible Assets**

This account consists of:

|                         | <b>2025</b>    | <b>2024</b> |
|-------------------------|----------------|-------------|
| Goodwill                | <b>P996</b>    | P996        |
| Other intangible assets | <b>39,816</b>  | 39,665      |
|                         | <b>P40,812</b> | P40,661     |

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Other intangible assets consist of:

|                                | 2025           | 2024           |
|--------------------------------|----------------|----------------|
| Trademarks and brand names     | P37,137        | P37,108        |
| License                        | 2,452          | 2,243          |
| Computer software and licenses | 162            | 249            |
| Formulas and recipes           | 58             | 58             |
| Franchise                      | 7              | 7              |
|                                | <b>P39,816</b> | <b>P39,665</b> |

The movements in other intangible assets with indefinite useful lives are as follows:

|                                      | Trademarks<br>and Brand<br>Names | License       | Formulas and<br>Recipes and<br>Franchise | Total          |
|--------------------------------------|----------------------------------|---------------|------------------------------------------|----------------|
| <b>Cost</b>                          |                                  |               |                                          |                |
| January 1, 2024                      | P37,282                          | P2,133        | P65                                      | P39,480        |
| Cumulative translation adjustments   | 91                               | 110           | -                                        | 201            |
| December 31, 2024                    | 37,373                           | 2,243         | 65                                       | 39,681         |
| Cumulative translation adjustments   | 33                               | 209           | -                                        | 242            |
| <b>December 31, 2025</b>             | <b>37,406</b>                    | <b>2,452</b>  | <b>65</b>                                | <b>39,923</b>  |
| <b>Accumulated Impairment Losses</b> |                                  |               |                                          |                |
| January 1, 2024                      | 252                              | -             | -                                        | 252            |
| Cumulative translation adjustments   | 13                               | -             | -                                        | 13             |
| December 31, 2024                    | 265                              | -             | -                                        | 265            |
| Cumulative translation adjustments   | 4                                | -             | -                                        | 4              |
| <b>December 31, 2025</b>             | <b>269</b>                       | <b>-</b>      | <b>-</b>                                 | <b>269</b>     |
| <b>Carrying Amount</b>               |                                  |               |                                          |                |
| December 31, 2024                    | P37,108                          | P2,243        | P65                                      | P39,416        |
| <b>December 31, 2025</b>             | <b>P37,137</b>                   | <b>P2,452</b> | <b>P65</b>                               | <b>P39,654</b> |

The movements in other intangible assets with finite useful lives are as follows:

|                                      | Note | Computer Software and Licenses |
|--------------------------------------|------|--------------------------------|
| <b>Cost</b>                          |      |                                |
| January 1, 2024                      |      | P1,485                         |
| Additions                            |      | 107                            |
| Cumulative translation adjustments   |      | 7                              |
| December 31, 2024                    |      | 1,599                          |
| Additions                            |      | 9                              |
| Cumulative translation adjustments   |      | 3                              |
| <b>December 31, 2025</b>             |      | <b>1,611</b>                   |
| <b>Accumulated Amortization</b>      |      |                                |
| January 1, 2024                      |      | 1,264                          |
| Amortization                         | 25   | 77                             |
| Cumulative translation adjustments   |      | 4                              |
| December 31, 2024                    |      | 1,345                          |
| Amortization                         | 25   | 105                            |
| Disposals/reclassifications          |      | (8)                            |
| Cumulative translation adjustments   |      | 2                              |
| <b>December 31, 2025</b>             |      | <b>1,444</b>                   |
| <b>Accumulated Impairment Losses</b> |      |                                |
| December 31, 2024 and 2025           |      | 5                              |
| <b>Carrying Amount</b>               |      |                                |
| December 31, 2024                    |      | P249                           |
| <b>December 31, 2025</b>             |      | <b>P162</b>                    |

Goodwill, trademarks and brand names, license, formulas and recipes, and franchise with indefinite lives acquired through business combinations, have been allocated to individual cash-generating units, for impairment testing as follows:

|              | 2025     |                                                                         | 2024     |                                                                         |
|--------------|----------|-------------------------------------------------------------------------|----------|-------------------------------------------------------------------------|
|              | Goodwill | Trademarks and Brand Names, License, Formulas and Recipes and Franchise | Goodwill | Trademarks and Brand Names, License, Formulas and Recipes and Franchise |
| Parent       | P -      | P3,189                                                                  | P -      | P3,189                                                                  |
| Food         | 177      | 161                                                                     | 177      | 162                                                                     |
| Spirits      | 819      |                                                                         | 819      | -                                                                       |
| Beer and NAB | -        | 36,304                                                                  | -        | 36,065                                                                  |
| Total        | P996     | P39,654                                                                 | P996     | P39,416                                                                 |

### *Goodwill*

The recoverable amount of goodwill has been determined based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined per individual cash-generating unit to arrive at its terminal value. The growth rates used which range from 1% to 3% and 1% to 5% in 2025 and 2024, respectively, are based on strategies developed for each business and include the Group's expectations of market developments and past historical performance. The discount rates applied to after tax cash flow projections ranged from 7.5% to 10.2% in 2025 and 7.5% to 9.0% in 2024. The discount rate also imputes the risk of the cash-generating units compared to the respective risk of the overall market and equity risk premium. The recoverable amount of goodwill has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 4).

No impairment loss was recognized for goodwill in 2025, 2024 and 2023.

### *Trademarks and Brand Names*

The recoverable amount of trademarks and brand names has been determined based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources. Cash flows beyond the five-year period are extrapolated using a determined constant growth rate to arrive at its terminal value. The revenue growth rates used which range from 2% to 6% and 2% to 5% in 2025 and 2024, respectively, are based on strategies developed for each business and include the Group's expectations of market developments and past historical performance. The discount rates applied to after tax cash flow projections ranged from 5.8% to 12.0% and 6.6% to 12.0% in 2025 and 2024, respectively. The recoverable amount of trademarks and brand names has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 4).

Management's calculations are updated to reflect the most recent developments as at the reporting date. Management's expectations reflect performance to date and are based on its experience in times of recession and consistent with the assumptions that a market participant would make.



### *License*

The recoverable amount of the license has been determined based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. Cash flows beyond the five-year period are extrapolated using a determined constant growth rate to arrive at its terminal value. In 2025 and 2024, the 3.0% to 5.0% revenue growth rate used is consistent with the long-term average growth rates for the industry. The discount rates applied to after tax cash flow projections range from 7.0% to 9.0% in 2025 and 5.3% to 6.1% in 2024.

No impairment loss was recognized in the value of licenses in 2025 and 2024.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts is based would not cause their carrying amounts to exceed their recoverable amounts.

The calculations of value in use (terminal value) are most sensitive to the following assumptions:

*Gross Margins.* Gross margins are based on average values achieved in the period immediately before the budget period. These are increases over the budget period for anticipated efficiency improvements. Values assigned to key assumptions reflect past experience, except for efficiency improvement.

*Discount Rates.* The Group uses the weighted-average cost of capital is used as the discount rate, which reflects management's estimate of the risk specific to each unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

*Growth Rate.* Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. The terminal value growth rate used by the management in trademarks and brand names ranges from 2% to 6% while the terminal value growth rate used in license is 7% and 3% in 2025 and 2024, respectively.

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## **17. Other Noncurrent Assets**

This account consists of:

|                                         | <i><b>Note</b></i> | <b>2025</b>    | <b>2024</b> |
|-----------------------------------------|--------------------|----------------|-------------|
| Deferred containers – net               | 4                  | <b>P27,352</b> | P26,872     |
| Deposits on land for future development |                    | <b>1,568</b>   | 1,938       |
| Idle assets – net                       |                    | <b>766</b>     | 812         |
| Noncurrent receivables and deposits     | 4, 30, 33, 34      | <b>241</b>     | 244         |
| Others                                  | 29, 30             | <b>1,710</b>   | 1,601       |
|                                         |                    | <b>P31,637</b> | P31,467     |

“Others” include pallets, kegs and CO2 cylinders, defined benefit retirement asset and other noncurrent assets.

“Noncurrent receivables and deposits” and “Others” accounts include amounts owed by related parties amounting to P694 and P507 as at December 31, 2025 and 2024, respectively (Note 30).

The methods and assumptions used to estimate the fair values of noncurrent receivables and deposits are discussed in Note 34.

The movements in deferred containers are as follows:

|                                  | <b>Note</b> | <b>2025</b>    | <b>2024</b> |
|----------------------------------|-------------|----------------|-------------|
| <b>Cost</b>                      |             |                |             |
| Balance at beginning of year     |             | <b>P57,373</b> | P50,786     |
| Additions                        |             | <b>8,331</b>   | 7,838       |
| Disposals/reclassifications      |             | <b>(3,704)</b> | (1,247)     |
| Currency translation adjustments |             | <b>(43)</b>    | (4)         |
| Balance at end of year           |             | <b>61,957</b>  | 57,373      |
| <b>Accumulated Depreciation</b>  |             |                |             |
| Balance at beginning of year     |             | <b>29,957</b>  | 24,948      |
| Depreciation                     | 25          | <b>6,558</b>   | 5,548       |
| Disposals/reclassifications      |             | <b>(2,289)</b> | (538)       |
| Currency translation adjustments |             | <b>(6)</b>     | (1)         |
| Balance at end of year           |             | <b>34,220</b>  | 29,957      |
| <b>Accumulated Impairment</b>    |             |                |             |
| Balance at beginning of year     |             | <b>544</b>     | 928         |
| Impairment                       |             | <b>121</b>     | -           |
| Disposals/reclassification       |             | <b>(280)</b>   | (384)       |
| Balance at the end of year       |             | <b>385</b>     | 544         |
|                                  |             | <b>P27,352</b> | P26,872     |

Cost includes deposit value of containers in 2025 trade and on hand.

In 2025, PTD determined that certain deferred containers of bottles in trade were fully depreciated and recognized depreciation expense amounted to P775, which is presented under “Selling and Administrative Expense” account in the consolidated statements of income (Notes 24 and 25).

Idle assets, net of accumulated depreciation and impairment, amounted to P766 and P812 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of idle assets amounted to P2,159 and P2,356 as at December 31, 2025 and 2024, respectively. Accumulated impairment loss on idle assets amounted to P1,220 and P1,222 as at December 31, 2025 and 2024, respectively.

In 2024, based on management’s assessment certain idle assets consisting of buildings and improvements and machinery and equipment with carrying amount of P784 is higher compared to the recoverable amount. Impairment loss amounted to P784 was recognized due to discontinued hog farm operations and indefinitely suspended capital projects and is presented as part of “Reversal (provision) on impairment” under “Other income and charges” account in the consolidated statements of income (Note 27).

## 18. Loans Payable

This account consists of peso-denominated short-term borrowings amounted to P14,346 and P17,103 as at December 31, 2025 and 2024, respectively (Notes 33 and 34)

Loans payable mainly represent unsecured peso currency-denominated amounts obtained from local banks. Interest rates for peso-denominated loans ranged from 4.25% to 4.95% and 4.25% to 6.10% in 2025 and 2024, respectively (Note 27).

Changes in liabilities arising from financing activities are as follows:

|                                                | 2025           | 2024      |
|------------------------------------------------|----------------|-----------|
| <b>Balance as at January 1</b>                 | <b>P17,103</b> | P14,684   |
| <b>Changes from Financing Activities</b>       |                |           |
| Proceeds from borrowings                       | 168,818        | 304,824   |
| Payments of borrowings                         | (171,575)      | (302,405) |
| <b>Total Changes from Financing Activities</b> | <b>(2,757)</b> | 2,419     |
| <b>Balance as at December 31</b>               | <b>P14,346</b> | P17,103   |

## 19. Trade Payables and Other Current Liabilities

This account consists of:

|                                 | Note   | 2025           | 2024    |
|---------------------------------|--------|----------------|---------|
| Trade                           |        | <b>P15,942</b> | P15,315 |
| Non-trade                       |        | <b>35,716</b>  | 34,141  |
| Amounts owed to related parties | 30     | <b>13,618</b>  | 17,216  |
| Derivative liabilities          | 33, 34 | <b>206</b>     | 150     |
| Containers deposit              |        | <b>7,110</b>   | 7,810   |
| Others                          |        | <b>1,950</b>   | 1,784   |
|                                 | 33, 34 | <b>P74,542</b> | P76,416 |

Trade payables are non-interest bearing and are generally on a 30 to 60-day term.

Non-trade payables include accruals for various selling and administrative expenses.

“Others” include accruals for payroll, interest, repairs and maintenance, freight, trucking and handling and other payables.

The methods and assumptions used to estimate the fair value of derivative liabilities are discussed in Note 34.

## 20. Long-term Debt

This account consists of:

|                                                                                                                                                                       | <i>Note</i> | <b>2025</b>    | 2024    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------|---------|
| Bonds:                                                                                                                                                                |             |                |         |
| Series A bonds, fixed interest rates of 5.05% maturing 2025 (a)                                                                                                       |             | <b>P -</b>     | P7,995  |
| Series B bonds, fixed interest rates of 5.25% maturing 2027 (a)                                                                                                       |             | <b>6,982</b>   | 6,968   |
| Term note:                                                                                                                                                            |             |                |         |
| Fixed interest rate of 6.16% to 6.30% with maturities up to 2032 (b)                                                                                                  |             | <b>4,965</b>   | -       |
| Floating interest rate based on 3-month BVAL plus margin or 28-day BSP Term Deposit Auction Facility (BSP TDF) plus margin, whichever is higher, maturing in 2032 (b) |             | <b>4,126</b>   | -       |
| Fixed interest rate of 3.80% to 6.84% with maturities up to 2031 (c)                                                                                                  |             | <b>38,761</b>  | 38,756  |
| Fixed interest rate of 3.5483% maturing in 2029 (d)                                                                                                                   |             | <b>9,521</b>   | 9,662   |
| Floating interest rate based on 3-month BVAL plus margin or 28-day BSP Term Deposit Auction Facility (BSP TDF) plus margin, whichever is higher, maturing in 2029 (d) |             | <b>7,616</b>   | 7,729   |
| Fixed interest rate of 3.2840% with maturities up to 2026 (e)                                                                                                         |             | <b>1,838</b>   | 1,889   |
| Fixed interest rate of 3.846% (f)                                                                                                                                     |             | <b>6,991</b>   | 6,981   |
|                                                                                                                                                                       | 33, 34      | <b>80,800</b>  | 79,980  |
| Less current maturities                                                                                                                                               |             | <b>19,174</b>  | 12,328  |
|                                                                                                                                                                       |             | <b>P61,626</b> | P67,652 |

### *Bonds*

- (a) On February 21, 2020, the SEC issued to SMFB the Permit to Sell P15,000 fixed rate bonds, consisting of five-year Series A Bonds due 2025 and seven-year Series B Bonds due in 2027.

The bonds were issued and listed in the PDEX on March 10, 2020.

The proceeds were used to redeem the outstanding FBP2 Shares and payment of transaction-related fees, costs and expenses.

The Series A Bonds and Series B Bonds have fixed interest rate equivalent to 5.050% per annum and 5.250% per annum, respectively and are carried at amortized cost. Unamortized debt issue costs for Series B as at December 31, 2025 and 2024 amounted to P18 and P32, respectively. While P5 for Series A as at December 31, 2024.

The Series A Bonds matured and was fully paid on March 10, 2025

### *Term Note*

- (b) On February 26 and March 3, 2025, SMFB entered into separate agreements for unsecured, long-term, interest-bearing loans with local banks amounting to P10 billion to refinance the maturity of the bonds amounting to P8 billion which matured on March 10, 2025 and for general corporate purposes. The loans are carried at amortized cost and bear annual interest rate at Philippine peso fixed and floating interest rates. Actual drawn on March 7, 2025 was P8 billion while P1.2 billion on August 18, 2025. The total drawn amount of P9.2 billion are payable in seven years and will mature in March 2032.

Unamortized debt issue costs amounted to P63 as at December 31, 2025.

- (c) On May 15, 2025, SMB entered into an agreement for an unsecured long-term, interest-bearing loan with a local bank amounting to P4,000 to refinance the maturity of the term loan amounting to P4,000 which matured on April 1, 2025. The loan is carried at amortized cost and bears annual interest rate at Philippine peso fixed-rate of 6.19%. The loan is payable in five years and will mature in May 2030.

On December 10, 2024, SMB entered into separate agreements for unsecured, long-term, interest-bearing loans with local banks amounting to P5,000 (P5,000 Loan), P2,000 (P2,000 Loan), and P3,000 (P3,000 Loan) to refinance the maturity of the term loan amounting to P10,000 which matured on December 26, 2024. The loans are carried at amortized cost and bear annual interest rate at Philippine peso fixed-rate of 6.57%. The interest rates are subject to repricing on the first and third anniversary from the initial drawdown date. Following the first anniversary of the drawdown, the interest rates for the P5,000 Loan, P2,000 Loan and P3,000 Loan were repriced to 5.80% per annum. The P5,000 Loan and P2,000 Loan are payable in five years and will mature in December 2029, while the P3,000 Loan is payable in seven years and will mature in December 2031.

On December 19, 2022, SMB entered into an agreement for an unsecured, long-term, interest-bearing loan with a local bank amounting to P10,000 to finance its capital expenditures. Under this facility, SMB drew P5,000 on December 20, 2022, and an additional P5,000 on February 21, 2023. The loans are carried at amortized cost and initially bore Philippine peso fixed interest rates of 6.84% and 6.53% per annum, respectively, for two years, subject to repricing thereafter. In December 2024, following the completion of the initial two-year period, the interest rates for both loans were repriced to 6.93% per annum. The loans are payable in five years and will mature in December 2027.

On March 21, 2022, SMB entered into an agreement for an unsecured, long-term, interest-bearing loan with a local bank amounting to P4,000 and P3,000 to be used to refinance the maturity of the Series F bonds which were issued by in 2012 and matured on April 4, 2022. The loans are carried at amortized cost and bears annual interest rates at Philippine peso fixed rate of 4.63% and 5.75%, respectively. The loans are payable in three years and five years, respectively. The P4,000 loan matured in April 2025, while the P3,000 loan will mature in April 2027.

On March 25, 2021, SMB entered into separate agreements for unsecured, long-term, interest-bearing loans with several local banks amounting in total to P12,000 to be used to refinance the maturity of the Series G bonds which matured on April 5, 2021 and/or general corporate purposes. The loans are carried at amortized cost and bears annual interest rates at Philippine peso fixed-rate ranging from 3.80% to 4.15%. The P10,000 of the P12,000 loan is payable in five years and will mature in April 2026, while the remaining P2,000 is payable in seven years and will mature in April 2028, in accordance with the terms of the loan agreements.

On December 19, 2019, SMB entered into an agreement for an unsecured, long-term, interest-bearing loan with a local bank amounting to P10,000 to be used for general corporate purposes. The loan is carried at amortized cost and bears annual interest rate at Philippine peso fixed-rate of 4.63%. The loan is payable in five years and matured in December 2024.

Unamortized debt issue costs amounted to P139 and P164 as at December 31, 2025 and 2024, respectively.

- (d) On December 3, 2019, SMFI entered into an unsecured, long-term, interest-bearing loan from a local bank amounting to P18,000 for the purpose of refinancing its existing short-term loan obligations, funding capital expansion projects and for other general corporate requirements. On December 12, 2019, P10,000 was initially drawn down from the credit facility and the remaining balance of P8,000 were availed in various dates during 2020. The loan is payable for ten years, in quarterly installments which will commence in March 2023. The loan is initially subject to a floating interest rate based on BVAL plus margin or BSP TDF overnight rate plus margin, whichever is higher with a one-time option to convert to fixed rate within two years.

On December 14, 2020, SMFI exercised its one-time option to convert its P10,000 loan to fixed interest rate.

Unamortized debt issue costs amounted to P59 and P73 as at December 31, 2025 and 2024, respectively.

- (e) On December 11, 2019, SMMI entered into an unsecured, long-term, interest-bearing loan from a local bank amounting to P2,000 for the purpose of refinancing its existing short-term loans and used for general corporate requirements. On December 19, 2019, the loan was drawn down from the credit facility. The loan is carried at amortized cost, is initially priced on a floating rate basis, and bears an annual interest rate at Philippine peso rate of 4.72%. The loan is payable for seven years, in quarterly installments which will commence in March 2023. The loan is subject to a floating interest rate based on BVAL plus margin or BSP TDF overnight rate plus margin, whichever is higher with a one-time option to convert to a fixed interest rate within two years which is based on the applicable 7-Year PHP BVAL + 0.60%, payable quarterly and fixed for the entire term of the loan.

On December 19, 2020, the SMMI exercised its one-time option to convert to fixed interest rate for its P2,000 loan.

Unamortized debt issue costs amounted to P2 and P4 as at December 31, 2025 and 2024, respectively.

- (f) On September 24, 2021, PF-Hormel entered into an unsecured, long-term, interest-bearing loan from a local bank amounting to P7,000 for general corporate purposes, including but not limited to, the refinancing of existing indebtedness for borrowed money and/or capital expenditure. On September 29, 2021, the total amount of loan was withdrawn from credit facility. The loan shall be for a term of five years from the borrowing date and shall be payable in lump sum on the maturity date. Interest on the unpaid principal of the loan is payable on each interest payment date for the relevant interest period then ending.

Unamortized debt issue costs amount to P8 and P19 as of December 31, 2025 and 2024, respectively.

The Group is in compliance with the covenants of the debt agreements as at December 31, 2025 and 2024.

#### SMB

SMB is required to comply with two financial covenants: minimum interest coverage ratio of 2.0 and maximum debt to equity ratio of 3.5 for all loans secured, as well as non-financial covenants, such as among others, covenants relating to continued compliance with applicable laws; restrictions on engaging in businesses other than those prescribed under its articles of incorporation, merger and consolidation, disposal of all or substantially all of material operating assets, payment of dividends, management bonuses and profits in the event of default; maintenance of equality in priority of obligations; and negative pledge.

#### SMFB

SMFB is required to comply with the capital requirements under the issued bonds on March 10, 2020. SMFB has to ensure that its debt-to-equity ratio will not exceed 3.5 times and earnings before income taxes, depreciation, and amortization (EBITDA) to interest expense ratio will not fall below 2.0 times. This loan defined total debt as all interest-bearing obligations evidenced by bonds, debentures, notes or other similar instruments while equity is total equity as shown in the consolidated statements of financial position. SMFB complied with the above requirements with a debt-to-equity ratio of 0.51 and 0.57 as at December 31, 2025, and 2024, respectively, and EBITDA to interest expense ratio of 16.53 and 15.20 as at December 31, 2025 and 2024, respectively.

For the interest-bearing loans entered from local banks in 2025, SMFB has to ensure that its net debt-to-equity ratio will not exceed 3.5 times and interest coverage ratio will not fall below 2.0 times. This loan defined net debt as interest bearing debt obtained from banks, financial institutions, and retail bond issuances less cash and cash equivalents while equity is total equity as shown in the consolidated statements of financial position. SMFB complied with the above requirements with a net debt-to-equity ratio of 0.16 and interest coverage ratio of 21.01 as at December 31, 2025.

#### SMFI

SMFI has to ensure that its debt-to-equity ratio will not exceed 3.5 times and EBITDA to interest coverage ratio will not fall below 2.0 times. This loan defined total debt as the aggregate amount (without duplication) of all debt of SMFI while equity is the total assets minus total liabilities as reported in the separate statements of financial position of SMFI. SMFI complied with the above requirements with a debt-to-equity ratio of 0.69 and 0.85 as at December 31, 2025 and 2024, respectively, and EBITDA to interest coverage ratio of 15.65 and 17.20 as at December 31, 2025 and 2024, respectively.

### SMMI

SMMI has to ensure that its debt-to-equity ratio will not exceed 3.5 times and EBITDA to interest coverage ratio will not fall below 2.0 times. This loan defined total debt as the aggregate amount (without duplication) of all debt of SMMI while equity is the total assets minus total liabilities as reported in the separate statements of financial position. SMMI complied with the above requirements with a debt-to-equity ratio of 0.06 and 0.58 as at December 31, 2025 and 2024, respectively, and EBITDA to interest coverage ratio of 30.54 and 10.95 as at December 31, 2025 and 2024, respectively.

### PF-Hormel

PF-Hormel has to ensure that its debt-to-equity ratio will not exceed 3.5 times and EBITDA to interest coverage ratio will not fall below 2.0 times. This loan defined total debt as the aggregate amount (without duplication) of all debt of PF-Hormel while equity is the total assets minus total liabilities plus deposit for future subscription as reported in the separate statements of financial position. PF-Hormel complied with the above requirements with a debt-to-equity ratio of 0.77 and 0.89 as at December 31, 2025 and 2024, respectively, and EBITDA to interest coverage ratio of 15.09 and 13.53 as at December 31, 2025 and 2024, respectively.

Interest expense recognized in the consolidated statements of income follows:

|           | <b>Note</b> | <b>2025</b>   | 2024   | 2023   |
|-----------|-------------|---------------|--------|--------|
| Bonds     |             | <b>P772</b>   | P811   | P924   |
| Term note |             | <b>2,574</b>  | 2,515  | 2,437  |
|           | <b>27</b>   | <b>P3,346</b> | P3,326 | P3,361 |

The movements in debt issue costs are as follows:

|                              | <b>Note</b> | <b>2025</b>  | 2024  |
|------------------------------|-------------|--------------|-------|
| Balance at beginning of year |             | <b>P300</b>  | P350  |
| Additions                    |             | <b>96</b>    | 75    |
| Amortization                 | <b>27</b>   | <b>(107)</b> | (125) |
| Balance at end of year       |             | <b>P289</b>  | P300  |

Changes in liabilities arising from financing activities are as follows:

|                                                | <b>2025</b>     | 2024     |
|------------------------------------------------|-----------------|----------|
| <b>Balance as at January 1</b>                 | <b>P79,980</b>  | P82,810  |
| <b>Changes from Financing Activities</b>       |                 |          |
| Proceeds from borrowings                       | <b>13,101</b>   | 9,925    |
| Payments of borrowings                         | <b>(12,388)</b> | (12,880) |
| <b>Total Changes from Financing Activities</b> | <b>713</b>      | (2,955)  |
| <b>Others</b>                                  | <b>107</b>      | 125      |
| <b>Balance as at December 31</b>               | <b>P80,800</b>  | P79,980  |



### Repayment Schedule

As of December 31, 2025, the annual maturities of long-term debt are as follows:

| Year                | Gross Amount   | Debt Issue Costs | Net            |
|---------------------|----------------|------------------|----------------|
| 2026                | P19,189        | P15              | P19,174        |
| 2027                | 20,268         | 59               | 20,209         |
| 2028                | 2,148          | 5                | 2,143          |
| 2029                | 23,392         | 100              | 23,292         |
| 2030 and thereafter | 16,092         | 110              | 15,982         |
|                     | <b>P81,089</b> | <b>P289</b>      | <b>P80,800</b> |

As of December 31, 2024, the annual maturities of long-term debt are as follows:

| Year                | Gross Amount   | Debt Issue Costs | Net            |
|---------------------|----------------|------------------|----------------|
| 2025                | P12,342        | P14              | P12,328        |
| 2026                | 19,008         | 39               | 18,969         |
| 2027                | 20,270         | 95               | 20,175         |
| 2028                | 2,268          | 7                | 2,261          |
| 2029 and thereafter | 26,392         | 145              | 26,247         |
|                     | <b>P80,280</b> | <b>P300</b>      | <b>P79,980</b> |

Contractual terms of the Group's interest-bearing loans and borrowings and exposure to interest rate, foreign currency and liquidity risks are discussed in Note 33.

## **21. Equity**

### Capital Stock

As at December 31, 2025 and 2024, the Parent Company's common stock, at P1.00 par value per common share, consists of the following number of shares:

|                                       | 2025                  | 2024           | 2023           |
|---------------------------------------|-----------------------|----------------|----------------|
| Issued shares at beginning of year    | <b>5,951,297,670</b>  | 5,951,297,670  | 5,951,297,670  |
| Treasury shares                       | <b>(42,077,580)</b>   | (42,077,580)   | (42,077,580)   |
| Issued and outstanding at end of year | <b>5,909,220,090</b>  | 5,909,220,090  | 5,909,220,090  |
| Authorized shares                     | <b>11,600,000,000</b> | 11,600,000,000 | 11,600,000,000 |

As at December 31, 2025 and 2024, the Parent Company's preferred stock, at P10.00 par value per preferred share, consists of the following number of shares:

|                                       | 2025                | 2024         | 2023         |
|---------------------------------------|---------------------|--------------|--------------|
| Issued shares at beginning of year    | <b>30,000,000</b>   | 30,000,000   | 30,000,000   |
| Treasury shares                       | <b>(30,000,000)</b> | (30,000,000) | (30,000,000) |
| Issued and outstanding at end of year | -                   | -            | -            |
| Authorized shares                     | <b>40,000,000</b>   | 40,000,000   | 40,000,000   |

### Common Shares

As at December 31, 2016, prior to business reorganization, the Parent Company has a total of 166,667,096 issued and outstanding common shares held by a total of 132 common stockholders.

On November 3, 2017, the BOD of SMC approved the internal restructuring to consolidate its food and beverage businesses under SMFB. The corporate reorganization is expected to result in synergies in the food and beverage business units of the San Miguel Group, unlock greater shareholder value by providing a sizeable consumer vertical market under SMC, and provide investors direct access to the consumer business of the San Miguel Group through SMFB.

In this connection, the following corporate actions were approved by the BOD of the Parent Company on November 3, 2017: (a) amendments to the Articles of Incorporation to change/expand the primary purpose of SMFB to include the beverage business and accordingly change its corporate name from "San Miguel Pure Foods Company Inc." to "San Miguel Food and Beverage, Inc.", reduce the par value of SMFB's common shares from P10.00 per share to P1.00 per share, and deny pre-emptive rights for issuances or dispositions of all common shares (collectively, the "First Amendments"); (b) upon approval by the SEC of the First Amendments, the increase in SMFB's authorized capital stock by P9,540 divided into 9,540,000,000 common shares with a par value of P1.00 per share, and the amendment to the Articles of Incorporation to reflect such increase (the "Increase"); (c) the acquisition of all of SMC's common shares in SMB and GSML (collectively, the "Exchange Shares") and issuance by SMFB of 4,242,549,130 new common shares (the "New Shares") to SMC from the Increase, as consideration for the Exchange Shares; (d) the tender offer for SMB and GSML shares held by minority shareholders, if required; and the listing on the PSE of the additional shares resulting from the reduction of par value of common shares and the New Shares to be issued to SMC.

On January 18, 2018, the stockholders of SMFB, in its special stockholders' meeting, approved the foregoing corporate actions.

On March 14, 2018, the following amendments to the By-laws of SMFB were approved by the BOD of the Parent Company: (i) the change in corporate name to "San Miguel Food and Beverage, Inc." in the Title of the By-laws; (ii) the change in Official Seal of SMFB to reflect the said new corporate name in Article XI of the By-laws; and (iii) the disqualification for director in SMFB to the effect that persons engaged in any business that competes with or is antagonistic to that of SMFB are disqualified from sitting in the BOD of SMFB, in Article II, Section 1 of the By-laws (collectively, the "Corporate Name Related Amendments").

On March 23, 2018, the SEC approved the First Amendments to the Articles of Incorporation of SMFB.

On April 5, 2018, SMC and SMFB signed the Deed of Exchange of Shares pursuant to which SMC will transfer to SMFB the Exchange Shares at the total transfer value of P336,349. As consideration for its acquisition of the Exchange Shares, SMFB shall issue unto SMC the New Shares which will be taken out of the Increase. As such, the issuance of the New Shares to SMC and the transfer of the Exchange Shares to SMFB were conditioned upon the approval by the SEC of the Increase.

On May 11, 2018, the stockholders of SMFB, in its regular stockholders' meeting, approved the: (i) amendments to the By-laws of SMFB to reflect the Corporate Name Related Amendments, and (ii) delegation to management of the authority previously approved by the BOD on March 14, 2018, to sign, execute and deliver all documents on behalf of SMFB, as well as to take all other actions in order for SMFB to comply with the minimum public ownership requirement of the SEC and PSE for publicly listed companies, including the offer and issuance of new common shares to the public.

On June 18, 2018, the SEC approved the Corporate Name Related Amendments to the By-laws of SMFB.

On June 29, 2018, the SEC approved the Increase by virtue of the issuance to SMFB of the Certificate of Approval of Increase of Capital Stock and Certificate of Filing of Amended Articles of Incorporation. As a result of the approval of the Increase, which involved the issuance by SMFB of the New Shares to SMC in consideration for the Exchange Shares, the consolidation of the food and beverage businesses of SMC under SMFB was completed.

With the approval of the Increase, the SEC consequently accepted and approved the transfer value of the Exchange Shares amounting to P336,349, the investment value of SMFB in SMB and GSML.

As the issuance of the New Shares resulted in SMFB's public ownership level falling below the minimum ten percent (10%) requirement under the PSE's Amended Rule on Minimum Public Ownership ("MPO Rule"), the PSE suspended the trading of SMFB's common and preferred shares (collectively, the "FB Shares") commencing July 6, 2018 and until SMFB is able to secure a favorable ruling/opinion from the BIR on the appropriate taxes to be imposed on the trades of FB Shares through the PSE during the period not exceeding six months (the "MPO Exemption Period").

On July 20, 2018, SMFB received BIR Ruling No. 1092-2018 which confirmed that the share swap and the follow-on offer of common shares and all trades of FB Shares through the PSE during the MPO Exemption Period are not subject to capital gains tax of 15% under of Revenue Regulations (RR) No.16-2012 as amended by RR No. 11-2018 (TRAIN Law), and that the stock transaction tax at the rate of six-tenths of one percent (6/10 of 1%) shall be imposed on all trades through the PSE of FB Shares during the same period. The temporary exemption is effective until December 31, 2018. On July 23, 2018, the PSE lifted the trading suspension of FB Shares.

On September 19, 2018, SMFB filed with the PSE an Application for Listing of Stocks, for the listing of the New Shares issued by SMFB to SMC. The PSE issued a Notice of Approval for the listing of the New Shares on November 5, 2018 and such shares were listed with the PSE effective November 9, 2018.

On October 12, 2018, the BIR issued BIR Certification No. 010-2018, which confirmed the tax-free transfer by SMC of the Exchange Shares, in consideration for the New Shares. On October 31, 2018, the BIR issued the Electronic Certificate Authorizing Registration (eCAR) covering this transaction. The Exchange Shares were issued and registered in the name of SMFB in the stock and transfer books of SMB and GSML, as the case may be, on November 5, 2018.

On October 26, 2018, the SEC issued the Order of Registration of Securities and Certificate of Permit to Offer Securities for Sale relating to the offer of up to 1,020,050,000 common shares in SMFB owned by SMC in a secondary sale transaction to institutional investors inclusive of the PSE Trading Participants' share allocation at an offer price of P85.00 per share.

On November 12, 2018, the secondary offering was completed. A total of 400,940,590 SMFB common shares plus the over-allotment option of 60,141,090 SMFB common shares owned by SMC have been sold at a price of P85.00 per share to institutional investors inclusive of the PSE Trading Participants' share allocation, for a total amount of P39,192 million. With the completion of the offering, SMFB is compliant with the MPO Rule.

As at December 31, 2025 and 2024, the Parent Company has a total of 188 and 183 common stockholders, respectively.

#### Preferred Shares issued and listed with the PSE on March 3, 2011

A summary of the Terms of the Offer is set out below:

The Parent Company, through its underwriters and selling agents, offered 15,000,000 cumulative, non-voting, non-participating and non-convertible preferred shares at an offer price of P1,000.00 per share during the period February 14 to 25, 2011.

The dividend rate was set at 8% per annum with dividend payment dates on March 3, June 3, September 3 and December 3 of each year calculated on a 30/360-day basis, as and if declared by the BOD. The preferred shares are redeemable in whole or in part, in cash, at the sole option of the Parent Company, at the end of the 5<sup>th</sup> year from issuance date or on any dividend payment date thereafter, at the price equal to the issue price plus any accumulated and unpaid cash dividends. Optional redemption of the preferred shares prior to 5<sup>th</sup> year from issuance date was provided under certain conditions (i.e., accounting, tax or change of control events), as well as on the 3<sup>rd</sup> anniversary from issuance date or on any dividend payment date thereafter, as and if declared by the BOD. Unless the preferred shares are redeemed by the Parent Company on its 5<sup>th</sup> year anniversary, the dividend rate shall be adjusted thereafter to the higher of the dividend rate of 8% or the ten-year PDST-F rate prevailing on the optional redemption date plus 3.33% per annum.

On February 3, 2015, the Parent Company's BOD approved the redemption on March 3, 2015 of the 15,000,000 outstanding preferred shares issued on March 3, 2011 at the redemption price of P1,000.00 per share.

The redemption price and all accumulated unpaid cash dividends were paid on March 3, 2015 to relevant stockholders of record as at February 17, 2015. The redeemed preferred shares thereafter became part of the Parent Company's treasury shares.

#### Perpetual Series "2" Preferred Shares Issued and Listed with the PSE on March 12, 2015

On January 20, 2015, the BOD of the PSE approved, subject to SEC approval and certain conditions, the application of the Parent Company to list up to 15,000,000 perpetual series "2" preferred shares (FBP2 Shares) with a par value of P10.00 per share to cover the Parent Company's preferred shares offering at an offer price of P1,000.00 per share and with a dividend rate to be determined by management.

On February 5, 2015, the SEC favorably considered the Parent Company's Registration Statement covering the registration of up to 15,000,000 FBP2 Shares at an offer price of P1,000.00 per share (the "FBP2 Shares Offering"), subject to the conditions set forth in the pre-effective letter issued by the SEC on the same date.

On February 9, 2015, the PSE issued, subject to certain conditions, the Notice of Approval on the Parent Company's application to list up to 15,000,000 FBP2 Shares with a par value of P10.00 per share to cover the FBP2 Shares Offering at an offer price of P1,000.00 per share and with a dividend rate still to be determined by management on February 11, 2015, the dividend rate setting date.

On February 11, 2015, further to the authority granted by the Parent Company's BOD to management during the BOD meetings on November 5, 2014 and February 3, 2015 to fix the terms of the FBP2 Shares Offering, management determined the terms of the FBP2 Shares (Terms of the Offer), including the initial dividend rate for the FBP2 Shares at 5.6569% per annum.

A summary of the Terms of the Offer is set out below:

The Parent Company, through its underwriters and selling agents, offered up to 15,000,000 cumulative, non-voting, non-participating and non-convertible peso-denominated perpetual series 2 preferred shares at an offer price of P1,000.00 per share during the period February 16 to March 5, 2015.

The dividend rate was set at 5.6569% per annum with dividend payable once for every dividend period defined as (i) March 12 to June 11, (ii) June 12 to September 11, (iii) September 12 to December 11, or (iv) December 12 to March 11 of each year, calculated on a 30/360-day basis, as and if declared by the BOD. The series 2 preferred shares are redeemable in whole and not in part, in cash, at the sole option of the Parent Company, on the 3<sup>rd</sup> anniversary of the listing date or on any dividend period thereafter, at the price equal to the offer price plus any accumulated and unpaid cash dividends. The series 2 preferred shares may also be redeemed in whole and not in part, under certain conditions (i.e., accounting, tax or change of control events). Unless the series 2 preferred shares are redeemed by the Parent Company on the 5<sup>th</sup> year anniversary of the listing date, the dividend rate shall be adjusted thereafter to the higher of the dividend rate of 5.6569% or the 3-day average of the 7-year PDST-R2 plus 3.75%.

On February 12, 2015, the SEC rendered effective the Registration Statement and other papers and documents attached thereto filed by the Parent Company, and issued the Order of Registration of up to 15,000,000 FBP2 Shares at an offer price of P1,000.00 per share. The Certificate of Permit to Offer Securities for Sale was issued by the SEC on the same date.

On March 12, 2015, the Parent Company's 15,000,000 FBP2 Shares with par value of P10.00 per share were issued and listed with the PSE.

The proceeds from the issuance of FBP2 Shares, net of transaction costs, amounted to P14,885.

On February 3, 2020, the Parent Company's BOD approved the redemption on March 12, 2020 of the 15,000,000 outstanding FBP2 shares issued on March 12, 2015 at the redemption price of P1,000.00 per share.

The redemption price and all accumulated unpaid cash dividends were paid on March 12, 2020 to relevant stockholders of record as at February 17, 2020.

### Treasury Shares

Treasury shares, totaling 42,077,580 common shares as at December 31, 2025 and 2024 and 30,000,000 preferred shares as at December 31, 2025 and 2024 are carried at cost.

### Retained Earnings

#### *Unappropriation*

The Group's unappropriated retained earnings include the accumulated earnings in subsidiaries which is not available for declaration as dividends until declared by the respective investees.

The Parent Company's retained earnings as at December 31, 2025 and 2024 is restricted in the amount of P182 representing the cost of common shares held in treasury.

#### *Appropriation*

##### (a) Food

On June 5, 2025, the BOD of Magnolia approved the reversal of the P1,500 appropriated retained earnings in 2022 and proposed a P2,000 appropriation from its retained earnings as of June 30, 2025 to support major expansion projects to increase its manufacturing plant's capacity. Target completion dates of these projects are 2027.

On June 5, 2025, the BOD of SMFI approved the reversal of P6,300 retained earnings appropriated for completed and deferred expansion projects, and the appropriation of P6,300 from SMFI's retained earnings as at December 31, 2024 for its grain terminal and poultry processing plants that are expected to be completed within the next five years.

On June 6, 2024, the BOD of SMFI approved the reversal of P5,000 of its retained earnings appropriated in 2022 and the appropriation of P8,000 from SMFI's retained earnings as at December 31, 2023 for its multi-tier poultry farms that are expected to be completed within the next four years.

On June 1, 2023, the BOD of SMFI approved the appropriation an additional P8,000 from SMFI's retained earnings as at December 31, 2022 for its port and grain terminal projects which are expected to be completed within the next five years.

On June 13, 2022, the BOD of SMFI approved the reversal of previous appropriations of P8,000 in 2015 and 2018 for the on-going expansion projects, and the appropriation of P9,000 from SMFI's retained earnings as at December 31, 2021 for its succeeding feedmill expansion projects that are expected to be completed within the next four years.

On March 23, 2022, the BOD of PHC approved an appropriation of P2,700 of its retained earnings as at December 31, 2022 to finance the expansion of its manufacturing plant in Cavite, aimed at increasing the capacity of its nuggets production line. The project is estimated to be completed in the first quarter of 2026.

##### (b) Beer and NAB

On February 7, 2025, the BOD of SMB approved additional appropriations of P10,000 of its retained earnings for the repayment of a term loan with local banks secured in December 2024 which will mature in December 2029 and 2031.

On March 7, 2023, the BOD of SMB approved additional appropriations of P10,000 of its retained earnings for the repayment of a term loan with a local bank secured in December 2022 and P2,538 for the redemption of the Series H bonds which matured in April 2024. The P2,538 appropriation was reversed upon the redemption of the Series H bonds in April 2024.

On December 2, 2022, the BOD of SMB appropriated an additional P7,000 of its retained earnings for the repayment of its term loan with a local bank entered in 2022 and P200 for the capacity expansion projects in Novaliches and Sariaya, Quezon. Target completion date of Novaliches and Sariaya, Quezon projects is in June 2026 and December 2027, respectively. Out of the P7,200 appropriation, P4,000 was reversed upon payment of the term loan in April 2025.

On December 3, 2021, the BOD of SMB approved additional appropriations of P16,211 of its retained earnings, P12,000 of which is for the repayment of the SMB's term loans with various banks entered in 2021 and P4,211 for the construction of malt terminal in Lucanin Bataan. A total of P540 was disbursed from 2022 to 2023. Out of the remaining P15,671 appropriation, P63 was disbursed in 2025. On March 5, 2024, SMB appropriated an additional P1,700 for the Lucanin project. The appropriations to the extent disbursed were accordingly reversed. Lucanin project is expected to be completed in April 2026.

On December 4, 2020, the BOD of SMB approved additional appropriations amounting to P17,000 of its retained earnings, P10,000 for the repayment of the term loan entered in 2019 and P7,000 for the redemption of the Series F bonds which matured in April 2022. The P7,000 appropriation for the redemption of SMB's Series F bonds was reversed upon the redemption of the said bonds in April 2022 while the P10,000 appropriation was reversed upon the payment of the term loan in December 2024.

On December 4, 2019, the BOD of SMB approved additional appropriations amounting to P19,962 of its retained earnings for the redemption of the Series G bonds in April 2021 and capacity expansion of SMB's brewery in Bacolod City, Negros Occidental to support volume growth. A total of P18,340 has been disbursed and accordingly reversed from 2020 to 2022. Out of the remaining P1,622 appropriation for the capacity expansion of Bacolod Brewery, P205, P859 and P558 were disbursed in 2025, 2024 and 2023, respectively and were accordingly reversed.

Of the P11,600 appropriations in 2018 for the construction of a new brewery in Tagoloan, Misamis Oriental and for the construction of brewhouse and cellars in Sta. Rosa, Laguna. A total of P11,177 has been disbursed and accordingly reversed from 2019 to 2022. The remaining P423 appropriation were disbursed from 2023 to 2024 and were accordingly reversed.

(c) Spirits

On November 10, 2021, the BOD of GSML approved the appropriation of P3,512 retained earnings, of the said amount, P3,000 will be used for expansion of capacity to support increase in demand and P512 will be used for rehabilitation of its existing facilities until 2027.

### *Dividend Declaration*

The BOD of the Parent Company approved the declaration and payment of the following cash dividends to common and preferred stockholders:

### **2025**

| <b>Class of Shares</b> | <b>Date of Declaration</b> | <b>Date of Record</b>    | <b>Date of Payment</b>   | <b>Dividend Per Share</b> |
|------------------------|----------------------------|--------------------------|--------------------------|---------------------------|
| <b>Common</b>          | <b>February 5, 2025</b>    | <b>February 19, 2025</b> | <b>March 6, 2025</b>     | <b>P0.50</b>              |
|                        | <b>May 7, 2025</b>         | <b>May 22, 2025</b>      | <b>June 6, 2025</b>      | <b>0.50</b>               |
|                        | <b>August 6, 2025</b>      | <b>August 20, 2025</b>   | <b>September 5, 2025</b> | <b>1.00</b>               |
|                        | <b>November 10, 2025</b>   | <b>November 25, 2025</b> | <b>December 10, 2025</b> | <b>1.05</b>               |

### **2024**

| <b>Class of Shares</b> | <b>Date of Declaration</b> | <b>Date of Record</b>    | <b>Date of Payment</b>   | <b>Dividend Per Share</b> |
|------------------------|----------------------------|--------------------------|--------------------------|---------------------------|
| <b>Common</b>          | <b>February 1, 2024</b>    | <b>February 16, 2024</b> | <b>March 1, 2024</b>     | <b>P0.45</b>              |
|                        | <b>May 8, 2024</b>         | <b>May 23, 2024</b>      | <b>June 7, 2024</b>      | <b>0.45</b>               |
|                        | <b>August 7, 2024</b>      | <b>August 22, 2024</b>   | <b>September 6, 2024</b> | <b>0.90</b>               |
|                        | <b>November 6, 2024</b>    | <b>November 20, 2024</b> | <b>December 6, 2024</b>  | <b>1.45</b>               |

### **Equity Adjustments from Common Control Transactions**

The “Equity adjustments from common control transactions” account relate to the acquisition of SMB and GSMI by SMFB through a share swap transaction with SMC in 2018, arising from the difference between the consideration transferred and the net assets acquired. The acquisition is considered to be a business combination of entities under common control as the combining entities are all under the common control of SMC before and after the acquisition. The Group recognized the assets acquired and liabilities assumed at their carrying amounts in the consolidated financial statements of SMC. The carrying amounts in the consolidated financial statements of SMC are based on the fair values of assets and liabilities as of the date SMB and GSMI became subsidiaries of SMFB and adjusted for subsequent transactions. Any goodwill relating to SMB and GSMI recognized in the consolidated financial statements of SMC is also recognized.

## **22. Revenues**

This account consists of:

|                                                          | <b>Note</b> | <b>2025</b>     | <b>2024</b> | <b>2023</b> |
|----------------------------------------------------------|-------------|-----------------|-------------|-------------|
| Sale of goods                                            |             | <b>P419,015</b> | P400,824    | P379,792    |
| Service revenues and others                              |             | <b>18</b>       | 23          | 22          |
| Fair valuation adjustments on agricultural produce - net | 9           | <b>27</b>       | 25          | 8           |
|                                                          | 6, 30       | <b>P419,060</b> | P400,872    | P379,822    |



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**23. Cost of Sales**

This account consists of:

|                                                   | <b>Note</b> | <b>2025</b>     | <b>2024</b> | <b>2023</b> |
|---------------------------------------------------|-------------|-----------------|-------------|-------------|
| Inventories                                       | 9           | <b>P162,354</b> | P158,845    | P158,027    |
| Taxes and licenses                                |             | <b>103,021</b>  | 99,518      | 91,510      |
| Depreciation and amortization                     | 25          | <b>10,011</b>   | 9,084       | 9,097       |
| Communications, light, fuel and water             |             | <b>8,921</b>    | 9,024       | 8,943       |
| Personnel                                         | 26          | <b>6,075</b>    | 5,398       | 5,001       |
| Freight, trucking and handling                    |             | <b>4,717</b>    | 4,830       | 4,117       |
| Repairs and maintenance                           |             | <b>2,425</b>    | 2,015       | 1,648       |
| Rent                                              | 4, 32       | <b>292</b>      | 301         | 205         |
| Write-down of inventories to net realizable value | 9           | <b>38</b>       | 106         | 57          |
| Others                                            |             | <b>846</b>      | 819         | 617         |
|                                                   |             | <b>P298,700</b> | P289,940    | P279,222    |

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**24. Selling and Administrative Expenses**

This account consists of:

|                | <b>2025</b>    | <b>2024</b> | <b>2023</b> |
|----------------|----------------|-------------|-------------|
| Selling        | <b>P39,679</b> | P36,931     | P35,212     |
| Administrative | <b>19,641</b>  | 18,209      | 16,977      |
|                | <b>P59,320</b> | P55,140     | P52,189     |

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Selling expenses consist of:

|                                | <b>Note</b> | <b>2025</b>    | <b>2024</b> | <b>2023</b> |
|--------------------------------|-------------|----------------|-------------|-------------|
| Freight, trucking and handling |             | <b>P10,474</b> | P10,097     | P9,561      |
| Advertising and promotions     |             | <b>7,729</b>   | 7,229       | 6,678       |
| Depreciation and amortization  | 25          | <b>7,675</b>   | 6,551       | 6,088       |
| Contracted services            |             | <b>4,948</b>   | 5,095       | 4,667       |
| Personnel                      | 26          | <b>4,377</b>   | 3,996       | 3,752       |
| Rent                           | 4, 14, 32   | <b>1,927</b>   | 1,783       | 1,651       |
| Taxes and licenses             |             | <b>653</b>     | 570         | 545         |
| Others                         |             | <b>1,896</b>   | 1,610       | 2,270       |
|                                |             | <b>P39,679</b> | P36,931     | P35,212     |

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Administrative expenses consist of:

|                                       | <b>Note</b> | <b>2025</b>    | 2024    | 2023    |
|---------------------------------------|-------------|----------------|---------|---------|
| Personnel                             | 26          | <b>P7,968</b>  | P7,413  | P7,033  |
| Contracted services                   |             | <b>3,052</b>   | 2,957   | 2,487   |
| Management fees                       | 30          | <b>1,522</b>   | 1,373   | 1,381   |
| Depreciation and amortization         | 25          | <b>1,412</b>   | 1,258   | 979     |
| Corporate special program             |             | <b>815</b>     | 729     | 490     |
| Rent                                  | 4, 14, 32   | <b>444</b>     | 490     | 925     |
| Repairs and maintenance               |             | <b>663</b>     | 645     | 576     |
| Professional fees                     |             | <b>369</b>     | 519     | 515     |
| Taxes and licenses                    |             | <b>904</b>     | 818     | 770     |
| Travel and transportation             |             | <b>396</b>     | 240     | 187     |
| Communications, light, fuel and water |             | <b>647</b>     | 544     | 512     |
| Supplies                              |             | <b>180</b>     | 245     | 233     |
| Insurance                             |             | <b>84</b>      | 72      | 111     |
| Others                                |             | <b>1,185</b>   | 906     | 778     |
|                                       |             | <b>P19,641</b> | P18,209 | P16,977 |

## 25. Depreciation and Amortization

Depreciation and amortization are distributed as follows:

|                                      | <b>Note</b> | <b>2025</b>    | 2024    | 2023    |
|--------------------------------------|-------------|----------------|---------|---------|
| Cost of sales:                       |             |                |         |         |
| Biological assets                    | 10          | <b>P3,508</b>  | P3,339  | P4,054  |
| Property, plant and equipment        | 13          | <b>6,057</b>   | 5,331   | 4,729   |
| Right-of-use assets                  | 14          | <b>226</b>     | 201     | 188     |
| Others                               | 15, 16, 17  | <b>220</b>     | 213     | 126     |
|                                      | 23          | <b>10,011</b>  | 9,084   | 9,097   |
| Selling and administrative expenses: |             |                |         |         |
| Property, plant and equipment        | 13          | <b>1,526</b>   | 1,318   | 1,233   |
| Deferred containers and others       | 15, 16, 17  | <b>6,849</b>   | 5,834   | 5,344   |
| Right-of-use assets                  | 14          | <b>712</b>     | 657     | 490     |
|                                      | 24          | <b>9,087</b>   | 7,809   | 7,067   |
|                                      |             | <b>P19,098</b> | P16,893 | P16,164 |

“Others” include depreciation of investment property and amortization of land use rights, computer software and licenses and pallets, kegs and CO2 cylinders.

## 26. Personnel Expenses

This account consists of:

|                         | <b>Note</b> | <b>2025</b>    | <b>2024</b> | <b>2023</b> |
|-------------------------|-------------|----------------|-------------|-------------|
| Salaries and allowances |             | <b>P10,771</b> | P10,283     | P9,588      |
| Retirement costs        | 29          | <b>1,019</b>   | 980         | 843         |
| Other employee benefits |             | <b>6,630</b>   | 5,544       | 5,355       |
|                         |             | <b>P18,420</b> | P16,807     | P15,786     |

Personnel expenses are distributed as follows:

|                         | <b>Note</b> | <b>2025</b>    | <b>2024</b> | <b>2023</b> |
|-------------------------|-------------|----------------|-------------|-------------|
| Cost of sales           | 23          | <b>P6,075</b>  | P5,398      | P5,001      |
| Selling expenses        | 24          | <b>4,377</b>   | 3,996       | 3,752       |
| Administrative expenses | 24          | <b>7,968</b>   | 7,413       | 7,033       |
|                         |             | <b>P18,420</b> | P16,807     | P15,786     |

## 27. Interest Expense and Other Financing Charges, Interest Income and Other Income (Charges) - net

These accounts consist of:

### (a) Interest Expense and Other Financing Charges

|                         | <b>2025</b>   | <b>2024</b> | <b>2023</b> |
|-------------------------|---------------|-------------|-------------|
| Interest expense        | <b>P4,243</b> | P4,145      | P4,215      |
| Other financing charges | <b>635</b>    | 664         | 537         |
|                         | <b>P4,878</b> | P4,809      | P4,752      |

Amortization of debt issue costs included as part of "Other financing charges" amounted to P107, P125 and P122 in 2025, 2024 and 2023, respectively (Note 20).

Interest expense on loans payable, long-term debt and lease liabilities is as follows:

|                   | <b>Note</b> | <b>2025</b>   | <b>2024</b> | <b>2023</b> |
|-------------------|-------------|---------------|-------------|-------------|
| Loans payable     | 18          | <b>P385</b>   | P395        | P473        |
| Long-term debt    | 20          | <b>3,346</b>  | 3,326       | 3,361       |
| Lease liabilities | 32          | <b>512</b>    | 424         | 381         |
|                   |             | <b>P4,243</b> | P4,145      | P4,215      |

(b) Interest Income

|                                                                | <b>Note</b> | <b>2025</b>   | 2024   | 2023   |
|----------------------------------------------------------------|-------------|---------------|--------|--------|
| Interest from short-term investments, cash in banks and others | 7           | <b>P3,369</b> | P3,507 | P2,617 |
| Interest on amounts owed by related parties                    | 30          | <b>284</b>    | 281    | 450    |
|                                                                |             | <b>P3,653</b> | P3,788 | P3,067 |

(c) Other Income (Charges)

|                                       | <b>Note</b> | <b>2025</b>   | 2024     | 2023   |
|---------------------------------------|-------------|---------------|----------|--------|
| Miscellaneous gain - net (a)          | 36          | <b>P765</b>   | P2       | P2,579 |
| Rent income                           | 32          | <b>468</b>    | 427      | 264    |
| Tolling fees - net                    |             | <b>318</b>    | 192      | 327    |
| Gain on sale of scrap materials       |             | <b>62</b>     | 42       | 47     |
| Gain (loss) on foreign exchange - net | 33          | <b>(41)</b>   | (83)     | 105    |
| Gain (loss) on derivatives - net      | 34          | <b>(183)</b>  | (125)    | 2      |
| Provision on impairment (b)           | 13, 17      | <b>(274)</b>  | (1,457)  | -      |
| Others - net (c)                      |             | <b>(42)</b>   | (121)    | (170)  |
|                                       |             | <b>P1,073</b> | (P1,123) | P3,154 |

(a) Miscellaneous gain represents the amount of recognized income from the reversal of container deposits, lease modifications, assignment of product rights, tax credit certificates issued by the BIR to SMB for the tax refund cases involving various San Miguel beer products (Note 36), and loss on sale of La Pacita (Note 5).

(b) Impairment loss was recognized by the Group due to stop development of pier terminal and suspension of capital projects for hog farm in 2025 and 2024, respectively. This was based on management's assessment that the recoverable amount of these assets is lower than the carrying amount.

(c) "Others - net" include casualty losses, including African Swine Fever (ASF) mortalities, retirement of breeding stocks, closure of facilities, gain on insurance proceeds, payable write-offs, and dividend income on investments.

## 28. Income Taxes

(a) The components of income tax expense are shown below:

|          | <b>2025</b>    | 2024    | 2023    |
|----------|----------------|---------|---------|
| Current  | <b>P14,349</b> | P13,109 | P11,923 |
| Deferred | <b>279</b>     | (375)   | (150)   |
|          | <b>P14,628</b> | P12,734 | P11,773 |

(b) Deferred tax asset and liabilities as at December 31 arise from the following:

|                                                                                  | 2025          | 2024   |
|----------------------------------------------------------------------------------|---------------|--------|
| Net defined benefit retirement obligation and equity reserve for retirement plan | <b>P2,087</b> | P2,080 |
| Allowance for impairment losses on receivables and write-down of inventories     | <b>438</b>    | 615    |
| NOLCO                                                                            | <b>25</b>     | 23     |
| MCIT                                                                             | <b>21</b>     | 16     |
| Unrealized gain on derivatives – net                                             | <b>(166)</b>  | 53     |
| Others                                                                           | <b>941</b>    | 847    |
|                                                                                  | <b>P3,346</b> | P3,634 |

The above amounts are reported in the consolidated statements of financial position as follows:

|                          | Note | 2025          | 2024   |
|--------------------------|------|---------------|--------|
| Deferred tax assets      | 4    | <b>P3,377</b> | P3,657 |
| Deferred tax liabilities |      | <b>(31)</b>   | (23)   |
|                          |      | <b>P3,346</b> | P3,634 |

The movements of deferred tax assets and liabilities are accounted for as follows:

|                                                                                     | Balance at<br>Beginning of<br>Year | Recognized in<br>Profit or Loss | Recognized in<br>Other<br>Comprehensive<br>Income | Others | December 31, 2025         |                                                    |
|-------------------------------------------------------------------------------------|------------------------------------|---------------------------------|---------------------------------------------------|--------|---------------------------|----------------------------------------------------|
|                                                                                     |                                    |                                 |                                                   |        | Balance at<br>End of Year | Deferred<br>Tax Asset<br>Deferred<br>Tax Liability |
| Net defined benefit retirement obligation and equity<br>reserve for retirement plan | P2,080                             | P3                              | P4                                                | P -    | P2,087                    | P -                                                |
| Allowance for impairment losses on receivables and<br>write-down of inventories     | 615                                | (175)                           | (2)                                               | -      | 438                       | 436                                                |
| NOLCO                                                                               | 23                                 | 2                               | -                                                 | -      | 25                        | 25                                                 |
| MCIT                                                                                | 16                                 | 5                               | -                                                 | -      | 21                        | 20                                                 |
| Unrealized loss on derivatives - net                                                | 53                                 | (53)                            | (166)                                             | -      | (166)                     | (150)                                              |
| Others                                                                              | 847                                | (61)                            | 165                                               | (10)   | 941                       | 959                                                |
|                                                                                     | P3,634                             | (P279)                          | P1                                                | (P10)  | P3,346                    | P3,377                                             |
|                                                                                     |                                    |                                 |                                                   |        |                           | (P31)                                              |

|                                                                                     | Balance at<br>Beginning of<br>Year | Recognized in<br>Profit or Loss | Recognized in<br>Other<br>Comprehensive<br>Income | Others | December 31, 2024         |                                                    |
|-------------------------------------------------------------------------------------|------------------------------------|---------------------------------|---------------------------------------------------|--------|---------------------------|----------------------------------------------------|
|                                                                                     |                                    |                                 |                                                   |        | Balance at<br>End of Year | Deferred<br>Tax Asset<br>Deferred<br>Tax Liability |
| Net defined benefit retirement obligation and equity<br>reserve for retirement plan | P1,989                             | (P11)                           | P68                                               | P34    | P2,080                    | P -                                                |
| Allowance for impairment losses on receivables and<br>write-down of inventories     | 712                                | (98)                            | -                                                 | 1      | 615                       | 613                                                |
| NOLCO                                                                               | 8                                  | 11                              | -                                                 | 4      | 23                        | 23                                                 |
| MCIT                                                                                | 10                                 | 6                               | -                                                 | -      | 16                        | 15                                                 |
| Unrealized loss on derivatives - net                                                | 34                                 | 19                              | -                                                 | -      | 53                        | 69                                                 |
| Others                                                                              | 430                                | 448                             | (1)                                               | (30)   | 847                       | 857                                                |
|                                                                                     | P3,183                             | P375                            | P67                                               | P9     | P3,634                    | P3,657                                             |
|                                                                                     |                                    |                                 |                                                   |        |                           | (P23)                                              |

As at December 31, 2025, the NOLCO of the Group, which are presented as part of “Deferred tax assets” account in the consolidated statement of financial position, that can be claimed as deduction from future taxable income are as follows:

| <b>Year Incurred/Paid</b> | <b>Carryforward Benefits Up to</b> | <b>NOLCO</b> |
|---------------------------|------------------------------------|--------------|
| 2021                      | December 31, 2026                  | <b>P6</b>    |
| 2023                      | December 31, 2026                  | <b>37</b>    |
| 2024                      | December 31, 2027                  | <b>48</b>    |
| 2025                      | December 31, 2028                  | <b>15</b>    |
|                           |                                    | <b>P106</b>  |

As at December 31, 2025, the MCIT of the Group, which are presented as part of “Deferred tax assets” account in the consolidated statement of financial position, that can be claimed as deduction from corporate income tax due are as follows:

| <b>Year Incurred/Paid</b> | <b>Carryforward Benefits Up to</b> | <b>MCIT</b> |
|---------------------------|------------------------------------|-------------|
| 2024                      | December 31, 2027                  | <b>P6</b>   |
| 2025                      | December 31, 2028                  | <b>5</b>    |
|                           |                                    | <b>P11</b>  |

On September 30, 2020, the BIR issued Revenue Regulation (RR) No. 25-2020 to implement Section 4 (bbbb) of Republic Act (RA) No. 11494 (“Bayanihan to Recover as One Act”), relative to NOLCO which provides that the net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

The net operating loss for the said taxable years may be carried over as a deduction even after the expiration of RA No. 11494, provided that the same is claimed within the next five consecutive taxable years following the year such loss was incurred.

For taxable years 2025, 2024 and 2023, the expiration period of NOLCO reverted to three years.

- (c) The reconciliation between the statutory income tax rate on income before income tax and the Group's effective income tax rate is as follows:

|                                                        | <b>2025</b>    | <b>2024</b> | <b>2023</b> |
|--------------------------------------------------------|----------------|-------------|-------------|
| Statutory income tax rate                              | <b>25.00%</b>  | 25.00%      | 25.00%      |
| Increase (decrease) in income tax rate resulting from: |                |             |             |
| Interest income subjected to final tax                 | <b>(1.19%)</b> | (1.29%)     | (1.18%)     |
| Others - net                                           | <b>0.21%</b>   | 0.02%       | (0.22%)     |
| Effective income tax rates                             |                | 23.73%      | 23.60%      |

*\*Percentages are computed based on amounts in nearest peso.*

RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

The CREATE Act, which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based, was passed on March 26, 2021 and took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation on April 11, 2021.

Key provisions of the CREATE Act which have an impact on the Group are: (i) reduction of Regular Corporate Income Tax (RCIT) rate from 30% to 25% for domestic and resident foreign corporations effective July 1, 2020; (ii) reduction of MCIT rate from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023; and (iii) repeal of the imposition of improperly accumulated earnings tax. The rate of MCIT reverted to 2% based on gross income starting July 1, 2023.

Accordingly, current and deferred taxes as at and for the year ended December 31, 2025 and 2024 were computed and measured using the applicable income tax rates.

RA No. 12066 or the CREATE to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act

The CREATE MORE Act, which seeks to improve the country's fiscal incentives policies by clarifying issues in the implementation of the CREATE Act, took effect on November 28, 2024. Key provisions of the CREATE MORE Act which have an impact on the Group are: (i) reduction of RCIT rate from 25% to 20% and expanded deductions for Registered Business Enterprises (RBEs) under the Enhanced Deductions Regime; and (ii) broadened eligibility and extended period of incentives for RBEs.

(d) International Tax Reform - Pillar Two Model Rules

The Group has adopted the amendments to PAS 12, Income Taxes, relating to the International Tax Reform - Pillar Two Model Rules. These amendments provide a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from Pillar Two income taxes. Accordingly, no deferred tax assets or liabilities have been recognized in relation to Pillar Two legislation.

The Group is a member of the broader Top Frontier Group. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Top Frontier Group operates. The legislation is effective as of December 31, 2025 in Hong Kong, Indonesia, Malaysia, Thailand and Vietnam. As at December 31, 2025, such legislation is not yet effective in the Philippines, Bermuda, the British Virgin Islands and China.

The Top Frontier Group is within the scope of the enacted or substantively enacted legislation and has performed a Transitional Country-by-Country Reporting (CbCR) Safe Harbor (TCSH) assessment to identify jurisdictions that may be excluded from detailed Pillar Two computations. The assessment was based on the most recent tax filings, CbCR reports, and financial statements of the relevant entities. All jurisdictions met the TCSH criteria, except for Hong Kong.

The Group will continue to monitor developments and will provide additional disclosures when the legislation becomes effective and the impact becomes reasonably estimable.



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## 29. Retirement Plan

SMFB, including majority of its subsidiaries, have funded, noncontributory, defined benefit retirement plans (collectively, the Retirement Plans) covering all of their permanent employees. The Retirement Plans pay out benefits based on final pay. Contributions and costs are determined in accordance with the actuarial studies made for the Retirement Plans. Annual cost is determined using the projected unit credit method. The Group's latest actuarial valuation date is December 31, 2025. Valuations are obtained on a periodic basis.

The Retirement Plans are registered with the BIR as tax-qualified plans under RA No. 4917, *An Act Providing that Retirement Benefits of Employees of Private Firms Shall Not be Subject to Attachment, Levy, Execution or Any Tax*, as amended. The control and administration of Retirement Plans are vested in the Board of Trustees of each Retirement Plan. Majority of the Board of Trustees of the Retirement Plans who exercises voting rights over the shares and approves material transactions are employees and/or officers of SMFB, including majority of its subsidiaries. The Retirement Plans' accounting and administrative functions are undertaken by the Retirement Funds Office of SMC.

The following table shows a reconciliation of the net defined benefit retirement liability and its components:

|                                                 | Fair Value of Plan Assets |         | Present Value of Defined Benefit Obligation |           | Net Defined Benefit Retirement Liability |          |
|-------------------------------------------------|---------------------------|---------|---------------------------------------------|-----------|------------------------------------------|----------|
|                                                 | 2025                      | 2024    | 2025                                        | 2024      | 2025                                     | 2024     |
| Balance at beginning of year                    | <b>P16,635</b>            | P16,522 | <b>(P22,377)</b>                            | (P21,998) | <b>(P5,742)</b>                          | (P5,476) |
| <b>Recognized in Profit or Loss</b>             |                           |         |                                             |           |                                          |          |
| Current service costs                           | -                         | -       | <b>(1,019)</b>                              | (980)     | <b>(1,019)</b>                           | (980)    |
| Interest expense                                | -                         | -       | <b>(1,357)</b>                              | (1,335)   | <b>(1,357)</b>                           | (1,335)  |
| Interest income                                 | <b>1,009</b>              | 984     | -                                           | -         | <b>1,009</b>                             | 984      |
|                                                 | <b>1,009</b>              | 984     | <b>(2,376)</b>                              | (2,315)   | <b>(1,367)</b>                           | (1,331)  |
| <b>Recognized in Other Comprehensive Income</b> |                           |         |                                             |           |                                          |          |
| Remeasurements:                                 |                           |         |                                             |           |                                          |          |
| Actuarial gains (losses) arising from:          |                           |         |                                             |           |                                          |          |
| Experience adjustments                          | -                         | -       | <b>(340)</b>                                | (64)      | <b>(340)</b>                             | (64)     |
| Changes in financial assumptions                | -                         | -       | <b>465</b>                                  | (74)      | <b>465</b>                               | (74)     |
| Changes in demographics assumptions             | -                         | -       | <b>(8)</b>                                  | 10        | <b>(8)</b>                               | 10       |
| Return on plan assets excluding interest income | <b>(144)</b>              | (149)   | -                                           | -         | <b>(144)</b>                             | (149)    |
| Translation adjustments                         | <b>(3)</b>                | 21      | -                                           | (26)      | <b>(3)</b>                               | (5)      |
|                                                 | <b>(147)</b>              | (128)   | <b>117</b>                                  | (154)     | <b>(30)</b>                              | (282)    |
| <b>Others</b>                                   |                           |         |                                             |           |                                          |          |
| Contributions                                   | <b>1,563</b>              | 1,326   | -                                           | -         | <b>1,563</b>                             | 1,326    |
| Benefits paid                                   | <b>(1,531)</b>            | (1,982) | <b>1,549</b>                                | 2,003     | <b>18</b>                                | 21       |
| Other adjustments                               | <b>2</b>                  | (87)    | <b>(8)</b>                                  | 87        | <b>(6)</b>                               | -        |
|                                                 | <b>34</b>                 | (743)   | <b>1,541</b>                                | 2,090     | <b>1,575</b>                             | 1,347    |
| Balance at end of year                          | <b>P17,531</b>            | P16,635 | <b>(P23,095)</b>                            | (P22,377) | <b>(P5,564)</b>                          | (P5,742) |

The Group's annual contribution to the Retirement Plans consists of payments covering the current service cost plus amortization of unfunded past service liability.

Retirement costs recognized in the consolidated statements of income amounted to P1,019, P980 and P843 in 2025, 2024 and 2023, respectively (Note 26).

The above net defined benefit retirement liability was included in the consolidated statements of financial position as part of:

|                              | <b>Note</b> | <b>2025</b>     | <b>2024</b> |
|------------------------------|-------------|-----------------|-------------|
| Other noncurrent assets      | 17          | <b>P -</b>      | P6          |
| Other noncurrent liabilities |             | <b>(5,564)</b>  | (5,748)     |
|                              |             | <b>(P5,564)</b> | (P5,742)    |

The carrying amounts of the Group's retirement fund approximate fair values as at December 31, 2025 and 2024.

The Group's plan assets consist of the following:

|                                                          | <b>In Percentages</b> |             |
|----------------------------------------------------------|-----------------------|-------------|
|                                                          | <b>2025</b>           | <b>2024</b> |
| Investments in marketable securities and shares of stock | <b>78.75</b>          | 81.62       |
| Investments in pooled funds:                             |                       |             |
| Stock trading portfolio                                  | <b>1.28</b>           | 1.29        |
| Fixed income portfolio                                   | <b>3.11</b>           | 5.47        |
| Investments in real estate                               | <b>1.83</b>           | 1.07        |
| Others                                                   | <b>15.03</b>          | 10.55       |

**Investments in Marketable and Debt Securities**

As at December 31, 2025, the plan assets include:

- 29,653,880 common shares, 8,369,770 Subseries "2-I", 2,173,800 Subseries "2-L", 5,333,600 Subseries "2-N", 3,107,000 Subseries "2-O", 4,154,700 Subseries "2-P", 21,000 Subseries "2-Q", 2,330,300 Subseries "2-S", 6,261,500 Subseries "2-T", and 6,135,000 Subseries "2-U" preferred shares of SMC with fair market value per share of P82, P74.50, P79, P80.50, P81, P77, P77.80, P77.80, P76.50 and P76, respectively;
- Investment in SMC bonds amounting to P2,377;
- 46,097,900 common shares and 364,160 Subseries "PRF3B", 13,390 Subseries "PRF4A", 117,000 Subseries "PRF4B", 504,000 Subseries "PRF4C", 161,000 Subseries "PRF4D", and 177,000 Subseries "PRF4E" preferred shares of Petron with fair market value per share of P2.48, P1,005, P1,010, P1,000, P1,009, P998 and P1,015, respectively;
- Investment in Petron bonds amounting to P198;
- 15,784,000 common shares of SMB with fair market value per share of P20.00;
- 4,906,134 common shares of GSMI with fair market value per share of P295.00;
- 13,511,500 common shares of SMFB with fair market value per share of P55;

- 3,152,443 common shares of Top Frontier with fair market value per share of P61;
- 192,144 common shares of PSE with fair market value per share of P205;
- Investment in SMC Tollways Corporation (SMCTC) bonds amounting to P112;
- Investment in SMC Global Power Holdings Corp. (SMC Global) bonds amounting to P856;
- Investment in Bank of Commerce (BOC) bonds amounting to P14;
- Investment in other equities amounting to P7; and
- Investment in other bonds amounting to P100.

As at December 31, 2024, the plan assets include:

- 23,916,720 common shares, 8,598,530 Subseries “2-F”, 8,369,770 Subseries “2-I”, 3,263,040 Subseries “2-J”, 2,498,200 Subseries “2-K”, 2,173,800 Subseries “2-L”, 5,333,600 Subseries “2-N”, and 3,107,000 Subseries “2-O” preferred shares of SMC with fair market value per share of P86, P73.30, P72.25, P71.90, P70, P77.65, P79.70 and P82.30, respectively;
- Investment in SMC bonds amounting to P2,367;
- 46,097,900 common shares and 364,160 Subseries “PRF3B”, 117,000 Subseries “PRF4B”, 504,000 Subseries “PRF4C”, 161,000 Subseries “PRF4D”, and 177,000 Subseries “PRF4E” preferred shares of Petron with fair market value per share of P2.43, P1,030, P1,020, P1,043, P1,050 and P1,050, respectively;
- Investment in Petron bonds amounting to P339;
- 15,784,000 common shares of SMB with fair market value per share of P20.00;
- 4,906,134 common shares of GSMI with fair market value per share of P275.00;
- 13,491,500 common shares of SMFB with fair market value per share of P52.75;
- Investment in SMFB bonds amounting to P183;
- 3,152,443 common shares of Top Frontier with fair market value per share of P63.10;
- 192,144 common shares of PSE with fair market value per share of P164
- Investment in South Luzon Tollway Corporation bonds amounting to P100;
- Investment in SMCTC bonds amounting to P125;
- Investment in SMC Global bonds amounting to P850;
- Investment in BOC bonds amounting to P297;

- Investment in other equities amounting to P8; and
- Investment in other bonds amounting to P100.

The fair market value per share of the above shares of stock is determined based on quoted market prices in active markets as of the reporting date (Note 4).

The Group's Retirement Plans recognized gains (losses) on the investment in marketable securities of SMC and its subsidiaries amounting to P100, P297 and P345 in 2025, 2024 and 2023, respectively.

Dividend income from the investment in shares of stock of SMC and its subsidiaries amounted to P482, P440 and P297 in 2025, 2024 and 2023, respectively.

#### Investments in Shares of Stock

The Group's plan assets also include SMB Retirement Plan's investment in 8,608,494 preferred shares of stock of BPI (inclusive of nominee shares), accounted for under the cost method, amounting to P859 as at December 31, 2025 and 2024 (Note 30).

#### Investments in Pooled Funds

Investments in pooled funds were established mainly to put together a portion of the funds of the Retirement Plans of SMC and its domestic subsidiaries to be able to draw, negotiate and obtain the best terms and financial deals for the investments resulting from big volume transactions.

The Board of Trustees of the Group's Retirement Plans approved the percentage of assets to be allocated to fixed income instruments and equities. The Retirement Plans have set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The Board of Trustees may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Investment income and expenses are allocated to the plans based on their pro-rata share in net assets of pooled funds. The Retirement Plans' interests in the net assets of the pooled funds were 32.4% and 57.8% of fixed income portfolio as at December 31, 2025 and 2024, respectively. The Retirement Plans' interests in net assets of the pooled funds were 84.4% and 86.1% of stock trading portfolio as at December 31, 2025 and 2024, respectively.

Approximately 76.6% and 77.9% of the Retirement Plans' investments in pooled funds in stock trading portfolio include investments in shares of stock of SMC and its subsidiaries as at December 31, 2025 and 2024, respectively.

Approximately 61.9% and 68% of the Retirement Plans' investments in pooled funds in fixed income portfolio include investments in shares of stock of SMC and its subsidiaries as at December 31, 2025 and 2024, respectively.

#### Investments in Real Estate

The Retirement Plans of the Group have investments in real estate properties. The fair value of investment property amounted to P328 and P181 as at December 31, 2025 and 2024, respectively.

#### Others

Others include the Retirement Plans' investments in government securities, cash and cash equivalents, receivables and deposits which earn interest.

The Board of Trustees reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching (ALM) strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the defined benefit retirement obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation. The Group is expected to contribute the amount of P1,517 to the Retirement Plans in 2026.

The Retirement Plans expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk as follows:

*Investment and Interest Rate Risks.* The present value of the defined benefit retirement obligation is calculated using a discount rate determined by reference to market yields to government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the defined benefit retirement obligation. However, this will be partially offset by an increase in the return on the Retirement Plans' investments and if the return on plan asset falls below this rate, it will create a deficit in the Retirement Plans. Due to the long-term nature of the defined benefit retirement obligation, a level of continuing equity investments is an appropriate element of the long-term strategy of the Group to manage the Retirement Plans efficiently.

*Longevity and Salary Risks.* The present value of the defined benefit retirement obligation is calculated by reference to the best estimates of: (1) the mortality of the plan participant, and (2) the future salaries of the plan participants. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the defined benefit retirement obligation.

The overall expected rate of return is determined based on historical performance of the investments.

The principal actuarial assumptions used to determine retirement benefits are as follows:

|                      | <b>In Percentages</b> |             |
|----------------------|-----------------------|-------------|
|                      | <b>2025</b>           | <b>2024</b> |
| Discount rate        | <b>2.70 - 6.53</b>    | 6.04 - 6.27 |
| Salary increase rate | <b>3.00 - 8.00</b>    | 5.00        |

Assumptions for mortality and disability rates are based on published statistics and mortality and disability tables.

The weighted average duration of defined benefit retirement obligation ranges from 4.80 to 9.90 years and 4.70 to 11.00 years as at December 31, 2025 and 2024 respectively.

As at December 31, 2025 and 2024, the reasonably possible changes to one of the relevant actuarial assumptions, while holding all other assumptions constant, would have affected the defined benefit retirement obligation by the amounts below:

|                      | <b>2025</b>               |                           | <b>2024</b>               |                           |
|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                      | <b>1 Percent Increase</b> | <b>1 Percent Decrease</b> | <b>1 Percent Increase</b> | <b>1 Percent Decrease</b> |
| Discount rate        | <b>(P1,277)</b>           | <b>P1,474</b>             | (P1,283)                  | P1,486                    |
| Salary increase rate | <b>1,485</b>              | <b>(1,315)</b>            | 1,494                     | (1,319)                   |

Transactions with the Retirement Plans are made at normal market prices.

### 30. Related Party Disclosures

The Parent Company, certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Related Party Transactions Policy of the Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are expected to be collected/settled in cash. Annual assessment is undertaken by examining the financial position of the related parties and the economic conditions in the market in which they operate.

The following are the transactions with related parties and the outstanding balances as at December 31:

|                                                                  | Year         | Revenues from<br>Related Parties | Purchases from<br>Related Parties | Amounts Owed<br>by Related Parties | Amounts Owed<br>to Related Parties | Terms                                                                  | Conditions                 |
|------------------------------------------------------------------|--------------|----------------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------------------------------------------|----------------------------|
| Intermediate Parent Company                                      | 2025<br>2024 | P425<br>302                      | P1,640<br>1,827                   | P6,083<br>5,986                    | P924<br>1,026                      | On demand except redeemable perpetual securities; non-interest bearing | Unsecured; no impairment   |
| Entities under Common Control of the Intermediate Parent Company | 2025<br>2024 | 1,045<br>1,142                   | 45,148<br>44,372                  | 2,134<br>2,481                     | 17,193<br>22,220                   | On demand; non-interest bearing                                        | Unsecured; no impairment   |
| Joint Venture                                                    | 2025<br>2024 | 15<br>13                         | -<br>-                            | 622<br>622                         | -<br>5                             | On demand; interest bearing                                            | Unsecured; with impairment |
| Associate of Intermediate Parent Company                         | 2025<br>2024 | 365<br>269                       | 305<br>-                          | 3,614<br>3,515                     | 325<br>-                           | Upon maturity; interest bearing                                        | Unsecured; no impairment   |
| Shareholders in Subsidiaries                                     | 2025<br>2024 | 179<br>72                        | 4,830<br>2,773                    | 159<br>118                         | 61<br>60                           | On demand; non-interest bearing                                        | Unsecured; no impairment   |
| <b>Total</b>                                                     | <b>2025</b>  | <b>P2,029</b>                    | <b>P51,923</b>                    | <b>P12,612</b>                     | <b>P18,503</b>                     |                                                                        |                            |
| <b>Total</b>                                                     | <b>2024</b>  | <b>P1,798</b>                    | <b>P48,972</b>                    | <b>P12,722</b>                     | <b>P23,311</b>                     |                                                                        |                            |

- Amounts owed by related parties consist of current and noncurrent receivables arising from sale of goods and services, deposits and share in expenses. It also includes investments in equity that pertains to subscription in redeemable perpetual securities and investments in debt securities under investment agreement with Bank of Commerce, both are presented as part of "Investments - net" account in the consolidated statements of financial position (Notes 8, 11, 12 and 17).
- Amounts owed to related parties consist of trade and non-trade payables arising from purchases of materials, bottles, shells, cartons, fuel and power and non-trade payables arising from professional fees, insurance, lease of outdoor advertising spaces, management fees, reimbursement of expenses, and other services rendered by related parties is presented under "Trade Payables and Other Current Liabilities" account in the consolidated statements of financial position (Notes 19 and 32).
- The Group has entered into various lease agreements with related parties as a lessor and lessee (Note 32).
- TSML executed various promissory notes in favor of GSML. The details of which are as follows:
  - Principal sum of THB250 together with interest of 5.5% per annum, which interest shall accrue on March 13, 2014.
  - Principal sum of THB50 together with interest of 5.0% per annum, which interest shall accrue on September 2, 2013.

- Principal sum of THB25 together with interest of 5.0% per annum, which interest shall accrue on June 14, 2013.
- Principal sum of THB75 together with interest of 3.0% per annum, which interest shall accrue on September 6, 2011.
- Principal sum of THB75 together with interest of 3.0% per annum, which interest shall accrue on April 7, 2011.

The principal sum is due and payable in full on demand of GSMI and the stipulated interest shall be payable every three months.

The receivables from TSML amounting to P540 as at December 31, 2025 and 2024, are included as part of "Amounts owed by related parties" under "Trade and other receivables -net" account in the consolidated statements of financial position (Note 8). Allowance for impairment losses pertaining to these non-trade receivables amounted to P540 as at December 31, 2025 and 2024.

- e. On September 29, 2022, SMFI entered into separate Contract to Sell Agreements with companies under common control, Grand Planters International, Inc., Dewsweeper Industrial Park, Inc. and Bluelight Industrial Estate, Inc. , for the acquisition of parcels of land located in the provinces of Quezon and Negros Occidental. The total purchase price amounted to P5,135, payable on an installment basis up to 2026 and subject to interest as agreed upon by the parties. As of December 31, 2025, the outstanding balance is presented under "Trade Payables and Other Current Liabilities." As of December 31, 2024, the outstanding balance of P1,725 is presented under "Other Noncurrent Liabilities" in the consolidated statements of financial position.
- f. The compensation of the key management personnel of the Group, by benefit type, follows:

|                              | <b>Note</b> | <b>2025</b> | 2024 | 2023 |
|------------------------------|-------------|-------------|------|------|
| Short-term employee benefits |             | <b>P195</b> | P233 | P214 |
| Retirement costs             | 29          | <b>40</b>   | 32   | 19   |
|                              |             | <b>P235</b> | P265 | P233 |

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, *Related Party Disclosures*, but with whom SMFB or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.



### 31. Basic Earnings Per Common Share

Basic EPS is computed as follows:

|                                                                                                    | 2025           | 2024    | 2023    |
|----------------------------------------------------------------------------------------------------|----------------|---------|---------|
| Net income attributable to equity holders of the Parent Company (a)                                | <b>P30,128</b> | P25,743 | P23,118 |
| Weighted average number of common shares (in millions) (b)                                         | <b>5,909</b>   | 5,909   | 5,909   |
| Basic/diluted earnings per common share attributable to equity holders of the Parent Company (a/b) | <b>P5.10</b>   | P4.36   | P3.91   |

As at December 31, 2025, 2024 and 2023, the Group has no dilutive equity instruments.

### 32. Lease Commitments

#### Operating Leases

##### *Group as Lessor*

The Group has entered into lease agreements on its investment property, offices and machinery and equipment. The non-cancellable leases have lease term of one to five years. Some lease agreements include a clause to enable upward revision of the rental change on an accrual basis based on prevailing market conditions.

The future minimum lease receipts under non-cancellable operating leases are as follows:

| <b>Operating Leases under PFRS 16</b>  | <b>2025</b>    | <b>2024</b> |
|----------------------------------------|----------------|-------------|
| Within one year                        | <b>P1,370</b>  | P1,258      |
| After one but not more than five years | <b>3,698</b>   | 3,515       |
| After five years                       | <b>9,262</b>   | 8,376       |
|                                        | <b>P14,330</b> | P13,149     |

Rent income recognized in the consolidated statements of income amounted to P468, P427 and P264 in 2025, 2024 and 2023, respectively (Notes 4 and 27).

##### *Group as Lessee*

The Group leases a number of equipment, offices, warehouses, factory facilities and parcels of land under operating lease. The leases will expire in various terms. Some leases provide an option to renew the lease at the end of the lease term and are being subjected to reviews to reflect current market rentals.

The Group recognized interest expense related to these leases amounting to P512, P424 and P381 in 2025, 2024 and 2023, respectively (Note 27).

Changes in liabilities arising from financing activities are as follows:

|                                                | 2025          | 2024         |
|------------------------------------------------|---------------|--------------|
| <b>Balance as at January 1</b>                 | <b>P5,599</b> | P5,176       |
| <b>Changes from Financing Activities</b>       |               |              |
| Payments of lease liabilities                  | (741)         | (745)        |
| <b>Total Changes from Financing Activities</b> | <b>(741)</b>  | <b>(745)</b> |
| <b>Other Changes</b>                           |               |              |
| Additions during the year                      | 734           | 1,168        |
| <b>Balance as at December 31</b>               | <b>P5,592</b> | P5,599       |

Rent expense recognized in the consolidated statements of income amounted to P2,663, P2,574 and P2,781 in 2025, 2024 and 2023, respectively (Notes 4, 23, 24 and 30).

### 33. Financial Risk and Capital Management Objectives and Policies

#### Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, investments in equity and debt instruments, restricted cash, noncurrent receivables and deposit, short-term and long-term loans, dividends payable, lease liabilities and derivative instruments. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, trade payables and other current liabilities (excluding statutory liabilities), and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group such as commodity and currency options and forwards are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to commodity price and foreign currency risks arising from the operating activities. The accounting policies in relation to derivatives are set out in Note 3 to the consolidated financial statements.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements; e) evaluation of management's process to assess and manage the enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD.

The Audit and Risk Oversight Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the SEC and/or the PSE.

The Audit and Risk Oversight Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit assists the Audit and Risk Oversight Committee in monitoring and evaluating the effectiveness of the risk management and governance processes of the Group. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Oversight Committee.

#### Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. The management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

The terms and maturity profile of the interest-bearing long-term borrowings, together with its gross amounts, are shown in the following tables:

| <b>December 31, 2025</b>    | <b>&lt;1 Year</b> | <b>&gt;1 - 3 Years</b>                                       | <b>&gt;3 - 5 Years</b>                                       | <b>&gt;5 Years</b>                                           | <b>Total</b>   |
|-----------------------------|-------------------|--------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|----------------|
| <b>Fixed Rate</b>           | <b>P19,009</b>    | <b>P22,178</b>                                               | <b>P20,206</b>                                               | <b>P7,900</b>                                                | <b>P69,293</b> |
| Philippine peso-denominated | 3.284% - 4.150%   | 3.5830%-6.9253%                                              | 3.548%-6.2954%                                               | 6.1566%-6.2954%                                              |                |
| Interest rate               |                   |                                                              |                                                              |                                                              |                |
| <b>Floating Rate</b>        |                   |                                                              |                                                              |                                                              |                |
| Philippine peso-denominated | 181               | 363                                                          | 7,410                                                        | 3,842                                                        | 11,796         |
| Interest rate               |                   | BVAL + margin or BSP TDF overnight rate, whichever is higher | BVAL + margin or BSP TDF overnight rate, whichever is higher | BVAL + margin or BSP TDF overnight rate, whichever is higher |                |
|                             | <b>P19,190</b>    | <b>P22,541</b>                                               | <b>P27,616</b>                                               | <b>P11,742</b>                                               | <b>P81,089</b> |
| <hr/>                       |                   |                                                              |                                                              |                                                              |                |
| <b>December 31, 2024</b>    | <b>&lt;1 Year</b> | <b>&gt;1 - 3 Years</b>                                       | <b>&gt;3 - 5 Years</b>                                       | <b>&gt;5 Years</b>                                           | <b>Total</b>   |
| <b>Fixed Rate</b>           | <b>P12,223</b>    | <b>P29,318</b>                                               | <b>P28,273</b>                                               | <b>P3,000</b>                                                | <b>P72,814</b> |
| Philippine peso-denominated | 3.284%-5.050%     | 3.284%-5.751%                                                | 3.548%-6.841%                                                | 6.572%                                                       |                |
| Interest rate               |                   |                                                              |                                                              |                                                              |                |
| <b>Floating Rate</b>        |                   |                                                              |                                                              |                                                              |                |
| Philippine peso-denominated | 119               | 238                                                          | 7,404                                                        | -                                                            | 7,761          |
| Interest rate               |                   | BVAL + margin or BSP TDF overnight rate, whichever is higher | BVAL + margin or BSP TDF overnight rate, whichever is higher | BVAL + margin or BSP TDF overnight rate, whichever is higher |                |
|                             | <b>P12,342</b>    | <b>P29,556</b>                                               | <b>P35,677</b>                                               | <b>P3,000</b>                                                | <b>P80,575</b> |

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P118 and P78 for the year ended December 31, 2025 and 2024, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

#### Foreign Currency Risk

The functional currency is the Philippine Peso, which is the denomination of the bulk of the Group's transactions. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using derivative and non-derivative instruments to manage its foreign currency risk exposure.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents as at December 31 are as follows:

|                                                         | 2025           |                 | 2024           |                 |
|---------------------------------------------------------|----------------|-----------------|----------------|-----------------|
|                                                         | US Dollar      | Peso Equivalent | US Dollar      | Peso Equivalent |
| <b>Assets</b>                                           |                |                 |                |                 |
| Cash and cash equivalents                               | US\$235        | P13,802         | US\$220        | P12,718         |
| Trade and other receivables                             | 31             | 1,850           | 30             | 1,738           |
| Prepaid expenses and other current assets               | 8              | 445             | 9              | 534             |
| Noncurrent receivables                                  | 4              | 244             | -              | -               |
|                                                         | 278            | 16,341          | 259            | 14,990          |
| <b>Liabilities</b>                                      |                |                 |                |                 |
| Trade payables and other current liabilities            | (108)          | (6,368)         | (144)          | (8,343)         |
| Lease liabilities                                       | (1)            | (79)            | -              | -               |
|                                                         | (109)          | (6,447)         | (144)          | (8,343)         |
| <b>Net Foreign Currency-denominated Monetary Assets</b> | <b>US\$169</b> | <b>P9,894</b>   | <b>US\$115</b> | <b>P6,647</b>   |

The Group reported net foreign exchange gain (loss) amounting to (P41), (P83) and P105 in 2025, 2024, and 2023, respectively, with the translation of its foreign currency-denominated assets and liabilities (Note 27). These mainly resulted from the movements of the Philippine Peso against the US Dollar as shown in the following table:

|                          | US Dollar to<br>Philippine Peso |
|--------------------------|---------------------------------|
| <b>December 31, 2025</b> | <b>P58.790</b>                  |
| December 31, 2024        | 57.845                          |
| December 31, 2023        | 55.370                          |

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations) as at December 31, 2025 and 2024.

|                                              | 2025                                       |                               |                                            |                               |
|----------------------------------------------|--------------------------------------------|-------------------------------|--------------------------------------------|-------------------------------|
|                                              | P1 Decrease in the US Dollar Exchange Rate |                               | P1 Increase in the US Dollar Exchange Rate |                               |
|                                              | Effect on Income before Income Tax         | Effect on Equity (Net of Tax) | Effect on Income before Income Tax         | Effect on Equity (Net of Tax) |
| Cash and cash equivalents                    | (P25)                                      | (P229)                        | P25                                        | P229                          |
| Trade and other receivables                  | (11)                                       | (33)                          | 11                                         | 33                            |
| Prepaid and other current assets             | (4)                                        | (7)                           | 4                                          | 7                             |
| Noncurrent receivables and deposits -net     | -                                          | 4                             | -                                          | (4)                           |
|                                              | (40)                                       | (265)                         | 40                                         | 265                           |
| Trade payables and other current liabilities | 36                                         | 99                            | (36)                                       | (99)                          |
| Finance lease liabilities                    | -                                          | 1                             | -                                          | (1)                           |
|                                              | 36                                         | 100                           | (36)                                       | (100)                         |
|                                              | (P4)                                       | (P165)                        | P4                                         | P165                          |

|                                              | 2024                                       |                               |                                            |                               |
|----------------------------------------------|--------------------------------------------|-------------------------------|--------------------------------------------|-------------------------------|
|                                              | P1 Decrease in the US Dollar Exchange Rate |                               | P1 Increase in the US Dollar Exchange Rate |                               |
|                                              | Effect on Income before Income Tax         | Effect on Equity (Net of Tax) | Effect on Income before Income Tax         | Effect on Equity (Net of Tax) |
| Cash and cash equivalents                    | (P35)                                      | (P211)                        | P35                                        | P211                          |
| Trade and other receivables                  | (4)                                        | (29)                          | 4                                          | 29                            |
| Prepaid and other current assets             | (5)                                        | (8)                           | 5                                          | 8                             |
|                                              | (44)                                       | (248)                         | 44                                         | 248                           |
| Trade payables and other current liabilities | 57                                         | 130                           | (57)                                       | (130)                         |
|                                              | 57                                         | 130                           | (57)                                       | (130)                         |
|                                              | P13                                        | (P118)                        | (P13)                                      | P118                          |

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

#### Commodity Price Risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in commodity prices.

The Group enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins. For hedging transactions, if prices go down, hedge positions may show marked-to-market losses; however, any loss in the marked-to-market position is offset by the resulting lower physical raw material cost.

The Group uses commodity futures, swaps and options to manage the Group's exposures to volatility in prices of certain commodities such as soybean meal and wheat.

#### Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

| December 31, 2025                                                                                 | Carrying Amount        | Contractual Cash Flow        | 1 Year or Less        | >1 Year - 2 Years           | >2 Years - 5 Years           | Over 5 Years        |
|---------------------------------------------------------------------------------------------------|------------------------|------------------------------|-----------------------|-----------------------------|------------------------------|---------------------|
| <b>Financial Assets</b>                                                                           |                        |                              |                       |                             |                              |                     |
| Cash and cash equivalents                                                                         | P64,506                | P64,506                      | P64,506               | P -                         | P -                          | P -                 |
| Trade and other receivables - net                                                                 | 29,891                 | 29,891                       | 29,891                | -                           | -                            | -                   |
| Derivative assets (included under "Prepaid expenses and other current assets" account)            | 37                     | 37                           | 37                    | -                           | -                            | -                   |
| Investment in equity at FVOCI (included under "Investments - net" account)                        | 5,990                  | 5,990                        | -                     | -                           | -                            | 5,990               |
| Investment in debt instruments at amortized cost (included under "Investments - net" account)     | 11,500                 | 13,658                       | 753                   | 841                         | 12,064                       | -                   |
| Noncurrent receivables and deposit - net (included under "Other noncurrent assets - net" account) | 241                    | 476                          | -                     | 32                          | 99                           | 345                 |
| Restricted cash (included under "Prepaid expenses and other current assets" account)              | 215                    | 215                          | 215                   | -                           | -                            | -                   |
| <b>Financial Liabilities</b>                                                                      |                        |                              |                       |                             |                              |                     |
| Loans payable                                                                                     | 14,346                 | 14,314                       | 14,314                | -                           | -                            | -                   |
| Trade payables and other current liabilities (excluding derivative liabilities)                   | 74,336                 | 74,336                       | 74,336                | -                           | -                            | -                   |
| Dividends payable                                                                                 | 111                    | 111                          | 111                   | -                           | -                            | -                   |
| Derivative liabilities (included under "Trade payables and other current liabilities" account)    | 206                    | 206                          | 206                   | -                           | -                            | -                   |
| Long-term debt (including current maturities)                                                     | 80,800                 | 93,904                       | 23,075                | 23,477                      | 34,688                       | 12,664              |
| Lease liabilities (including current portion)                                                     | 5,592                  | 13,041                       | 1,053                 | 946                         | 1,839                        | 9,203               |
| <b>December 31, 2024</b>                                                                          | <b>Carrying Amount</b> | <b>Contractual Cash Flow</b> | <b>1 Year or Less</b> | <b>&gt;1 Year - 2 Years</b> | <b>&gt;2 Years - 5 Years</b> | <b>Over 5 Years</b> |
| <b>Financial Assets</b>                                                                           |                        |                              |                       |                             |                              |                     |
| Cash and cash equivalents                                                                         | P58,221                | P58,221                      | P58,221               | P -                         | P -                          | P -                 |
| Trade and other receivables - net                                                                 | 29,456                 | 29,456                       | 29,456                | -                           | -                            | -                   |
| Derivative assets (included under "Prepaid expenses and other current assets" account)            | 85                     | 85                           | 85                    | -                           | -                            | -                   |
| Investment in equity at FVOCI (included under "Investments - net" account)                        | 5,888                  | 5,888                        | -                     | -                           | -                            | 5,888               |
| Investment in debt instruments at amortized cost (included under "Investments - net" account)     | 11,500                 | 14,537                       | 757                   | 841                         | 12,621                       | 318                 |
| Noncurrent receivables and deposit - net (included under "Other noncurrent assets - net" account) | 244                    | 244                          | -                     | 24                          | 81                           | 139                 |
| Restricted cash (included under "Prepaid expenses and other current assets" account)              | 228                    | 228                          | 228                   | -                           | -                            | -                   |
| <b>Financial Liabilities</b>                                                                      |                        |                              |                       |                             |                              |                     |
| Loans payable                                                                                     | 17,103                 | 17,065                       | 17,065                | -                           | -                            | -                   |
| Trade payables and other current liabilities (excluding derivative liabilities)                   | 76,266                 | 76,266                       | 76,266                | -                           | -                            | -                   |
| Dividends payable                                                                                 | 89                     | 89                           | 89                    | -                           | -                            | -                   |
| Derivative liabilities (included under "Trade payables and other current liabilities" account)    | 150                    | 150                          | 150                   | -                           | -                            | -                   |
| Long-term debt (including current maturities)                                                     | 79,980                 | 92,799                       | 16,023                | 22,300                      | 51,081                       | 3,395               |
| Lease liabilities (including current portion)                                                     | 5,599                  | 11,923                       | 991                   | 974                         | 1,815                        | 8,143               |
| Other noncurrent liabilities                                                                      | 1,924                  | 1,924                        | -                     | 1,725                       | 1                            | 198                 |

### Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

#### Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Group obtains collateral or arranges master netting agreements, where appropriate, so that in the event of default, the Group would have a secured claim.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

#### Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

#### Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprise the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Group.

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets was determined as follows:

- High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents, restricted cash, investment in debt instruments and derivative assets.
- Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables and noncurrent receivables and deposits.



Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below:

|                                                    | <b>Note</b> | <b>2025</b>     | <b>2024</b> |
|----------------------------------------------------|-------------|-----------------|-------------|
| Cash and cash equivalents (excluding cash on hand) | 7           | <b>P61,644</b>  | P54,655     |
| Trade and other receivables -net                   | 8           | <b>29,891</b>   | 29,456      |
| Restricted cash                                    | 11          | <b>215</b>      | 228         |
| Derivative assets                                  | 11          | <b>37</b>       | 85          |
| Investment in debt instruments at amortized cost   |             | <b>11,500</b>   | 11,500      |
| Noncurrent receivables and deposits - net          | 17          | <b>241</b>      | 244         |
|                                                    |             | <b>P103,528</b> | P96,168     |

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

| <b>2025</b>                                        | <b>Financial Assets at Amortized Cost</b> |                                           |                                      | <b>Financial Assets at FVPL</b> | <b>Total</b>    |
|----------------------------------------------------|-------------------------------------------|-------------------------------------------|--------------------------------------|---------------------------------|-----------------|
|                                                    | <b>12-month ECL</b>                       | <b>Lifetime ECL - not credit impaired</b> | <b>Lifetime ECL -credit impaired</b> |                                 |                 |
| Cash and cash equivalents (excluding cash on hand) | <b>P61,644</b>                            | <b>P -</b>                                | <b>P -</b>                           | <b>P -</b>                      | <b>P61,644</b>  |
| Trade and other receivables - net                  | <b>29,891</b>                             | -                                         | <b>1,135</b>                         | -                               | <b>31,026</b>   |
| Restricted cash                                    | <b>215</b>                                | -                                         | -                                    | -                               | <b>215</b>      |
| Derivative assets                                  | -                                         | -                                         | -                                    | <b>38</b>                       | <b>38</b>       |
| Investment in debt instruments at amortized cost   | <b>11,500</b>                             | -                                         | -                                    | -                               | <b>11,500</b>   |
| Noncurrent receivables and deposits -net           | -                                         | <b>241</b>                                | -                                    | -                               | <b>241</b>      |
|                                                    | <b>P103,250</b>                           | <b>P241</b>                               | <b>P1,135</b>                        | <b>P38</b>                      | <b>P104,664</b> |

| <b>2024</b>                                        | <b>Financial Assets at Amortized Cost</b> |                                           |                                      | <b>Financial Assets at FVPL</b> | <b>Total</b> |
|----------------------------------------------------|-------------------------------------------|-------------------------------------------|--------------------------------------|---------------------------------|--------------|
|                                                    | <b>12-month ECL</b>                       | <b>Lifetime ECL - not credit impaired</b> | <b>Lifetime ECL -credit impaired</b> |                                 |              |
| Cash and cash equivalents (excluding cash on hand) | P54,655                                   | P -                                       | P -                                  | P -                             | P54,655      |
| Trade and other receivables - net                  | 29,456                                    | -                                         | 1,141                                | -                               | 30,597       |
| Restricted cash                                    | 228                                       | -                                         | -                                    | -                               | 228          |
| Derivative assets                                  | -                                         | -                                         | -                                    | 85                              | 85           |
| Investment in debt instruments at amortized cost   | 11,500                                    | -                                         | -                                    | -                               | 11,500       |
| Noncurrent receivables and deposits -net           | -                                         | 244                                       | -                                    | -                               | 244          |
|                                                    | P95,839                                   | P244                                      | P1,141                               | P85                             | P97,309      |

The aging of receivables is as follows:

| <b>December 31, 2025</b> | <b>Trade</b>   | <b>Non-trade</b> | <b>Amounts<br/>Owed by<br/>Related<br/>Parties</b> | <b>Total</b>   |
|--------------------------|----------------|------------------|----------------------------------------------------|----------------|
| Current                  | <b>P20,935</b> | <b>P586</b>      | <b>P481</b>                                        | <b>P22,002</b> |
| Past due:                |                |                  |                                                    |                |
| 1 - 30 days              | <b>4,669</b>   | <b>214</b>       | <b>248</b>                                         | <b>5,131</b>   |
| 31 - 60 days             | <b>1,164</b>   | <b>52</b>        | <b>38</b>                                          | <b>1,254</b>   |
| 61 - 90 days             | <b>169</b>     | <b>49</b>        | <b>41</b>                                          | <b>259</b>     |
| Over 90 days             | <b>544</b>     | <b>407</b>       | <b>1,429</b>                                       | <b>2,380</b>   |
|                          | <b>P27,481</b> | <b>P1,308</b>    | <b>P2,237</b>                                      | <b>P31,026</b> |

| <b>December 31, 2024</b> | <b>Trade</b>   | <b>Non-trade</b> | <b>Amounts<br/>Owed by<br/>Related<br/>Parties</b> | <b>Total</b>   |
|--------------------------|----------------|------------------|----------------------------------------------------|----------------|
| Current                  | <b>P18,153</b> | <b>P568</b>      | <b>P468</b>                                        | <b>P19,189</b> |
| Past due:                |                |                  |                                                    |                |
| 1 - 30 days              | <b>6,502</b>   | <b>82</b>        | <b>281</b>                                         | <b>6,865</b>   |
| 31 - 60 days             | <b>1,206</b>   | <b>74</b>        | <b>82</b>                                          | <b>1,362</b>   |
| 61 - 90 days             | <b>226</b>     | <b>22</b>        | <b>210</b>                                         | <b>458</b>     |
| Over 90 days             | <b>534</b>     | <b>571</b>       | <b>1,618</b>                                       | <b>2,723</b>   |
|                          | <b>P26,621</b> | <b>P1,317</b>    | <b>P2,659</b>                                      | <b>P30,597</b> |

Various collaterals for trade receivables such as bank guarantees, time deposits and real estate mortgages are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period (Note 4). There are no significant changes in the credit quality of the counterparties during the year.

The Group's cash and cash equivalents, derivative assets, restricted cash and investment in debt instruments at amortized cost are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties. The Group does not execute any credit guarantee in favor of any counterparty.

#### Financial and Other Risks Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling prices of chicken, hogs and related products, all of which are determined by constantly changing market forces such as supply and demand and other factors. The other factors include environmental regulations, weather conditions and livestock diseases for which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks affecting the food industry, generally, including risks posed by food spoilage and contamination. Specifically, the fresh meat industry is regulated by environmental, health and food safety organizations and regulatory sanctions. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Furthermore, representatives from the government regulatory agencies are present at all times during the processing of dressed chicken and hogs in all dressing and meat plants and issue certificates accordingly. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice.
- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.
- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase the Group's production cost. If necessary, the Group enters into forward contracts to secure the supply of raw materials at a reasonable price.

#### Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVPL and FVOCI). The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

#### Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

The Group is not subject to externally imposed capital requirements.

### 34. Financial Assets and Financial Liabilities

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

|                                                                                                    | 2025            |            | 2024            |            |
|----------------------------------------------------------------------------------------------------|-----------------|------------|-----------------|------------|
|                                                                                                    | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| <b>Financial Assets</b>                                                                            |                 |            |                 |            |
| Cash and cash equivalents                                                                          | P64,506         | P64,506    | P58,221         | P58,221    |
| Trade and other receivables – net                                                                  | 29,891          | 29,891     | 29,456          | 29,456     |
| Restricted cash (included under “Prepaid expenses and other current assets” account)               | 215             | 215        | 228             | 228        |
| Derivative assets (included under “Prepaid expenses and other current assets” account)             | 37              | 37         | 85              | 85         |
| Investment in equity at FVOCI (included under “Investments - net” account)                         | 5,990           | 5,990      | 5,888           | 5,888      |
| Investment in debt instruments at amortized cost (included under “Investments - net” account)      | 11,500          | 11,500     | 11,500          | 11,500     |
| Noncurrent receivables and deposits - net (included under “Other noncurrent assets - net” account) | 241             | 241        | 244             | 244        |
| <b>Financial Liabilities</b>                                                                       |                 |            |                 |            |
| Loans payable                                                                                      | 14,346          | 14,346     | 17,103          | 17,103     |
| Trade payables and other current liabilities (excluding derivative liabilities)                    | 74,336          | 74,336     | 76,266          | 76,266     |
| Dividends payable                                                                                  | 111             | 111        | 89              | 89         |
| Derivative liabilities (included under “Trade payables and other current liabilities” account)     | 206             | 206        | 150             | 150        |
| Long-term debt (including current maturities)                                                      | 80,800          | 79,917     | 79,980          | 78,615     |
| Other noncurrent liabilities                                                                       | -               | -          | 1,924           | 1,924      |

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

*Cash and Cash Equivalents, Trade and Other Receivables, Restricted Cash, and Noncurrent Receivables and Deposits.* The carrying amount of cash and cash equivalents, trade and other receivables, and restricted cash approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of noncurrent receivables and deposits, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

*Derivatives.* The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding commodity derivatives, the fair values are determined based on quoted prices obtained from active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

*Investment in Equity at FVOCI.* The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market.

*Investment in Debt Instruments at Amortized Cost.* The fair value of investment in debt instruments is estimated as the present value of all future cash flows discounted using prevailing market rate of interest for a similar instrument as of the end of the reporting period.

*Loans Payable, Trade Payables and Other Current Liabilities, and Other Noncurrent Liabilities.* The carrying amounts of loans payable and trade payables approximates fair value due to the relatively short-term maturities of these financial instruments. In the case of other noncurrent liabilities, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

*Long-term Debt.* The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at reporting date. As at December 31, 2025 and 2024, discount rates used ranges from 4.26% to 6.40% and from 5.37% to 6.44%, respectively.

#### Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of freestanding and embedded derivative financial instruments are discussed below.

The Group enters into various commodity derivative contracts to manage its exposure on commodity price risk. The portfolio is a mixture of instruments including futures, swaps and options.

#### Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding commodity options and embedded currency forwards which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

##### *Freestanding Derivatives*

Freestanding derivatives consist of various commodity options entered into by the Group.

As of December 31, 2025 and 2024, the Group has no outstanding bought and sold options covering its wheat and soybean meal requirements.

##### *Embedded Derivatives*

The Group's embedded derivatives include currency forwards embedded in non-financial contracts. As of December 31, 2025 and 2024, the total outstanding notional amount of such embedded currency forwards amounted to US\$78 and US\$128, respectively. These non-financial contracts consist mainly of foreign currency-denominated purchase orders, sales agreements and capital expenditures. The embedded forwards are not clearly and closely related to their respective host contracts. The net negative fair value of these embedded currency forwards amounted to (P168) and (P66) as of December 31, 2025 and 2024, respectively.

The Group recognized marked-to-market gains (losses) from embedded derivatives amounting to (P183), (P125) and P2 in 2025, 2024 and 2023, respectively (Note 27).

#### Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

|                                                   | <b>Note</b> | <b>2025</b>   | <b>2024</b> |
|---------------------------------------------------|-------------|---------------|-------------|
| Balance at beginning of year                      |             | <b>(P66)</b>  | (P30)       |
| Net change in fair value of non-accounting hedges | 27          | <b>(183)</b>  | (125)       |
|                                                   |             | <b>(249)</b>  | (155)       |
| Less fair value of settled instruments            |             | <b>81</b>     | 89          |
| Balance at end of year                            |             | <b>(P168)</b> | (P66)       |

#### Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities (Note 3).

The table below analyzes financial instruments carried at fair value by valuation method:

| <b>2025</b>                                     | <b>Level 1</b> | <b>Level 2</b> | <b>Total</b>  |
|-------------------------------------------------|----------------|----------------|---------------|
| <b>Financial Assets</b>                         |                |                |               |
| Derivative assets                               | <b>P -</b>     | <b>P37</b>     | <b>P37</b>    |
| Investment in equity at FVOCI                   | <b>5,990</b>   | -              | <b>5,990</b>  |
| Investment in debt instrument at amortized cost | <b>11,500</b>  | -              | <b>11,500</b> |
| <b>Financial Liabilities</b>                    |                |                |               |
| Derivative liabilities                          | -              | <b>206</b>     | <b>206</b>    |
| <hr/>                                           |                |                |               |
| <b>2024</b>                                     | <b>Level 1</b> | <b>Level 2</b> | <b>Total</b>  |
| <b>Financial Assets</b>                         |                |                |               |
| Derivative assets                               | <b>P -</b>     | <b>P85</b>     | <b>P85</b>    |
| Investment in equity at FVOCI                   | <b>5,850</b>   | <b>38</b>      | <b>5,888</b>  |
| Investment in debt instrument at amortized cost | <b>11,500</b>  | -              | <b>11,500</b> |
| <b>Financial Liabilities</b>                    |                |                |               |
| Derivative liabilities                          | -              | <b>150</b>     | <b>150</b>    |

The Group has no financial instruments valued based on Level 3 as at December 31, 2025 and 2024. In 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

### **35. Registration with the Board of Investments (BOI) and the Authority of Freeport Area of Bataan (AFAB)**

Certain expansion projects of SMFB's consolidated subsidiaries are registered with the BOI, as pioneer and non-pioneer status, or with AFAB. As registered enterprises, these SMFB's subsidiaries are subject to certain requirements and are entitled to certain tax and non-tax incentives.

#### SMFI

SMFI is registered with the BOI and AFAB for certain feedmill, poultry, meats and ready-to-eat meals projects. In accordance with the provisions of Executive Order No. 226 (EO No. 226) otherwise known as "The Omnibus Investment Code of 1987" and the RA No. 9728, also known as "The Freeport Area of Bataan Act of 2009", pursuant to RA No. 11534, the projects are entitled, among others, to fiscal incentives described as follows:

- *New Domestic Producer of Animal Feeds (in Pellet, Crumble and Mash).* The Barangay Soyung, Echague, Isabela feedmill project (Echague Feedmill Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on June 5, 2023 under Certificate of Registration No. 2023-100. The Echague Feedmill Project is entitled to ITH for six years from June 5, 2023 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Dressed Whole Chickens, Further Processed/Cut Up Chickens, and Other Chicken Parts (Liver, Gizzard, Fats, and Skins).* The Barangay Darong, Sta. Cruz, Davao del Sur Magnolia Poultry Processing Plant project (MPPP Davao del Sur Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on January 3, 2024 under Certificate of Registration No. 2024-006. The MPPP Davao del Sur Project is entitled to ITH for five years from January 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Dressed Whole Chickens, Further Processed/Cut Up Chickens, and Other Chicken Parts (Liver, Gizzard, Fats, and Skins).* The Barangay Ilaya, Palsabangon, Pagbilao, Quezon Magnolia Poultry Processing Plant project (MPPP Pagbilao Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on June 20, 2024 under Certificate of Registration No. 2024-133. The MPPP Pagbilao Project is entitled to ITH for six years from June 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Animal Feeds.* The Barangay Pulong Balibaguhan, Mabini, Batangas feedmill project (Mabini Feedmill Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on July 16, 2024 under Certificate of Registration No. 2024-201. The Mabini Feedmill Project is entitled to ITH for six years from July 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Animal Feeds.* The Sta. Cruz, Davao Tower 2 feedmill project (Davao Feedmill Tower 2 Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on June 3, 2025 under Certificate of Registration No. 2025-140. The Davao Feedmill Tower 2 Project is entitled to ITH for six years from June 2025 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

- Registered projects with expired ITH incentives:

| IPA  | CR No.    | Registration Date | Registered Activity                                             | Location                             | ITH Entitlement Period   |
|------|-----------|-------------------|-----------------------------------------------------------------|--------------------------------------|--------------------------|
| AFAB | 2025-083* | May 22, 2025      | Manufacturer of Feeds for Poultry, Livestock and Marine Species | Bataan                               | May 2018 to April 2022   |
| BOI  | 2016-074  | April 14, 2016    | Non-Pioneer New Producer of Animal Feeds                        | San Idelfonso, Bulacan               | July 2018 to June 2022   |
| BOI  | 2016-073  | April 14, 2016    | Non-Pioneer New Producer of Animal Feeds                        | Sta. Cruz, Davao                     | April 2019 to March 2023 |
| BOI  | 2015-251  | Nov 10, 2015      | Non-Pioneer New Producer of Animal Feeds                        | Mandaue, Cebu                        | Dec 2019 to Nov 2023     |
| BOI  | 2020-075  | May 27, 2020      | Non-Pioneer New Producer of Animal Feeds                        | Phividec, Tagoloan, Misamis Oriental | June 2020 to May 2024    |

*\*Latest registration renewal date*

Notwithstanding the expiration of ITH benefit, SMFI is still required to continue the submission of annual reports to the BOI, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01. For AFAB registered projects, annual reports are required as long as registered with the IPA.

#### SMMI

SMMI was registered with the BOI under Registration No. 2016-035 on a non-pioneer status as an Expanding Producer of Wheat Flour and its By-Products (Bran and Pollard) for its flour mill expansion project in Mabini, Batangas on February 16, 2016.

Under the terms of SMMI's BOI registration and subject to certain requirements as provided in EO No. 226, SMMI is entitled to incentives which include, among others, ITH for three years from July 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On October 25, 2017, the BOI approved SMMI's request to adjust the ITH reckoning date to December 2018 or actual start of commercial operations, whichever is earlier.

On July 25, 2019, the BOI approved SMMI's subsequent request to further adjust the ITH reckoning date to July 2019 or actual start of commercial operations, whichever is earlier. The ITH period of the project commenced on December 1, 2019.

On August 7, 2020, by virtue of Resolution No. 15-19, Series of 2020, the BOI approved SMMI's request for amendment of ITH Base Figure from Peso sales value of P9,582 to sales volume of 388,447 metric tons.

The three-year ITH incentive ended on June 30, 2022.

Notwithstanding the expiration of ITH benefit in 2022, SMMI is still required to continue the submission of annual reports to the BOI for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.



## PF-Hormel

- *Expanding Producer of Processed Meat (Hotdog).* PF-Hormel was registered with the BOI under Registration No. 2017-033 on a non-pioneer status as an Expanding Producer of Processed Meat (Hotdog) for its project in General Trias, Cavite on January 31, 2017.

Under the terms of PF-Hormel's BOI registration and subject to certain requirements as provided in EO No. 226, PF-Hormel is entitled to incentives which include, among others, ITH for three years from December 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The ITH period of the project commenced on December 1, 2017 until November 2020.

Notwithstanding the expiration of ITH benefit in 2020, PF-Hormel is still required to submit the annual reports to the BOI until 2025, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *Domestic Producer of Canned Meat Products.* The Sitio de Fuego, Barangay San Francisco, General Trias, Cavite cannery project (PHC Cannery Project) was registered with the BOI pursuant to CREATE Act on a non-pioneer status on January 3, 2024 under Certificate of Registration No. 2024-005. The PHC Cannery Project is entitled to ITH for six years from January 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

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## **36. Other Matters**

### *(a) Toll Agreements*

The significant subsidiaries of SMFB have entered into toll processing with various contract growers, breeders, contractors and processing plant operators (collectively referred to as the "Parties"). The terms of the agreements include the following, among others:

- The Parties have the qualifications to provide the contracted services and have the necessary manpower, facilities and equipment to perform the services contracted.
- Tolling fees paid to the Parties are based on the agreed rate per acceptable output or processed product. The fees are normally subject to review in cases of changes in costs, volume and other factors.
- The periods of the agreement vary. Negotiations for the renewal of any agreement generally commence six months before expiry date.

Total tolling expenses amounted to P7,122, P7,237 and, P7,234, in 2025, 2024 and 2023, respectively (Note 23).

*(b) Contingencies*

The Group is a party to certain lawsuits or claims (mostly labor-related cases) filed by third parties which are either pending decision by the courts or are subject to settlement agreements. The outcome of these lawsuits or claims cannot be presently determined. In the opinion of management and its legal counsel, the eventual liability from these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements of the Group.

▪ Excess Excise Tax Payments

i. Filed by SMB

SMB filed 13 claims for refund for overpayments of excise taxes with the BIR which were then elevated to the CTA by way of petition for review. Six of these claims (i.e., CTA Case Nos. 7973, 8209, 8400, 8591, 8748 and 9743) were decided by the Supreme Court in favor of SMB and tax credit certificates amounting to P1,430, P1,569, P761 and P30 were received in 2019, 2020, 2023 and 2025, respectively. The TCC for CTA Case No. 9743 in the amount of P30 was issued by the BIR on October 16, 2025. One claim (CTA Case No. 10241) was withdrawn with the issuance of a tax credit certificate in the amount of P162 in 2021. The remaining six claims for refund are still pending before the courts, as follows:

- (a) Claim for refund of overpayments for the period of January 1, 2013 to December 31, 2013 - Third Division docketed as CTA Case No. 8955 (December 19, 2014);
- (b) Claim for refund of overpayments for the period of January 1, 2014 to December 31, 2014 - Third Division docketed as CTA Case No. 9223 (December 22, 2015);
- (c) Claim for refund of overpayments for the period of January 1, 2015 to December 31, 2015 - Second Division docketed as CTA Case No. 9513 (December 28, 2016);
- (d) Claim for refund of overpayments for the period of January 1, 2017 to December 31, 2017 - Third Division docketed as CTA Case No. 10000 (December 27, 2018);
- (e) Claim for refund of overpayments for the period of January 1, 2018 to December 31, 2018 - First Division docketed as CTA Case No. 10223 (December 11, 2019); and
- (f) Claim for refund of overpayments for the period of January 23, 2020 to February 9, 2020 - First Division docketed as CTA Case No. 10745 (via electronic mail on January 21, 2022, registered mail on January 24, 2022, and personal filing on February 2, 2022).

CTA Case No. 8955, SMB's claim for refund for P83, was decided against SMB by the CTA Third Division for having purportedly availed of the wrong mode of appeal as SMB should have filed the petition with the Regional Trial Court rather than through a collateral attack on issuances of the BIR via a judicial claim for refund. SMB, through counsel, filed a Motion for Reconsideration, arguing that the case involves a claim for refund and is at the same time a direct attack on the BIR issuances which imposed excise tax rates which are contradictory to, and violative of, the rates imposed in the Tax Code. With the denial of SMB's Motion for Reconsideration on January 5, 2018, SMB elevated the case to the CTA En Banc by way of a Petition for Review. On September 19, 2018, the CTA En Banc reversed and set aside the decision of the CTA Third Division and remanded the case to the CTA Third Division for the resolution of the same on the merits (docketed as CTA EB Case No. 1772). A Motion for Reconsideration was filed by the BIR which was subsequently denied by the CTA En Banc in a resolution dated January 24, 2019. The BIR sought an extension within which to file a Petition for Review with the Supreme Court which was docketed as G.R. No. 244738. After the BIR filed a Manifestation stating that it will no longer file a Petition for Review on Certiorari, the Supreme Court issued a Resolution dated January 8, 2020 considering the case closed and terminated. The records have been remanded with the CTA Third Division and the case is now submitted for the CTA Third Division's decision.

CTA Third Division partially granted SMB's Petition on September 14, 2023. The BIR is ordered to refund or issue a TCC in the reduced amount of P83, representing overpayment of excise taxes on the "San Mig Light" removals for the period from January 1, 2013 to December 31, 2013. The BIR filed a Motion for Reconsideration with CTA Third Division which was denied.

On March 20, 2024, the BIR elevated the case to the CTA En Banc by way of Petition for Review dated March 15, 2024 which was docketed as CTA EB No. 2890. On November 26, 2024, the CTA En Banc rendered its Decision denying the BIR's Petition for Review in CTA EB No. 2890. On December 11, 2024, the BIR filed a Motion for Reconsideration on the said Decision to which SMB filed an Opposition on January 30, 2025.

On October 2, 2025, the CTA En Banc resolved to deny the BIR's Motion for Reconsideration. On November 2025, the BIR elevated the case with the Supreme Court by filing a Petition for Review which was docketed as G.R. No. E-02918.

CTA Case No. 9223, SMB's claim for refund for P60, was partially decided in favor of SMB by the CTA Third Division in April 2019. From the CTA Third Division, SMB and the BIR filed separate Petitions for Review with the CTA En Banc. On February 21, 2022, the CTA En Banc rendered a Decision denying the separate Petitions for Review. On March 21, 2022, SMB filed a Petition for Review with the Supreme Court which was docketed as G.R. No. 258812. The BIR also elevated the CTA En Banc's Decision to the Supreme Court which was docketed as G.R. No. 261197. In GR No. 258812, the Supreme Court issued a Resolution requiring the BIR to comment on SMB's Petition to which the Office of the Solicitor General (OSG) filed a Comment dated February 19, 2024. In a Resolution dated June 3, 2024, the Supreme Court required SMB and the BIR to file their respective Replies on each other's Comment. SMB filed the required Reply on October 24, 2024 while the BIR filed its Reply on November 5, 2024.

CTA Case No. 9513, SMB's claim for refund for P48, was partially decided in favor of SMB by the CTA Second Division. From the CTA Second Division, SMB and the BIR filed separate Petitions for Review with the CTA En Banc. On February 4, 2021, the CTA En Banc affirmed the decision of the CTA Second Division. Both parties filed motions for partial reconsideration of the CTA En Banc's Decision. In its October 22, 2021 Resolution, the CTA En Banc denied the parties' motions for reconsideration. SMB and the BIR filed separate Petitions for Review on Certiorari with the Supreme Court docketed as G.R. No. 257784 and 259263, respectively. These were consolidated by the Supreme Court, after which the BIR filed its comment to SMB's Petition as directed by the court. On September 11, 2023, SMB received the Supreme Court's Resolution dated March 22, 2023 requiring the former to file its Comment on the BIR's Petition for Review in G.R. No. 259263. SMB filed the required Comment on September 18, 2023.

CTA Case No. 10000, SMB's claim for refund for P123, was filed on December 27, 2018 and is pending with the CTA Third Division. On September 22, 2021, the CTA Third Division partially granted SMB's Petition for Review and ordered the refund of P123. The BIR filed for a motion for reconsideration which was denied by the CTA Third Division. The BIR filed a Petition for Review with CTA En Banc docketed as CTA En Banc No. 2625. SMB filed its Comment dated July 25, 2022. On August 2, 2023, the CTA En Banc promulgated its Decision in CTA EB No. 2625 affirming the decision of the CTA Third Division in favor of SMB. The BIR moved for reconsideration but the same was denied by the CTA En Banc on January 8, 2024. The BIR then filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 271254.

CTA Case No. 10223, SMB's claim for refund for P147, was filed on December 11, 2019 and is pending with the CTA Second Division. In its Resolution dated July 19, 2022, the case was submitted for decision. On July 5, 2023, the CTA Second Division promulgated its Decision which ordered the CIR to refund or to issue a TCC in favor of SMB in the amount of P147 representing erroneously, excessively, and/or illegally collected excise taxes due on the removals of its subject beer products for the period covering January 1, 2018 to December 31, 2018.

On July 25, 2023, the CIR filed a Motion for Reconsideration on the aforesaid Decision, to which SMB filed an Opposition. In a Resolution dated October 9, 2023, the Court denied the Motion for Reconsideration of the CIR.

On December 14, 2023, the CIR appealed the Decision and Resolution of the CTA Second Division to the CTA En Banc by way of a Petition for Review, which was docketed as CTA EB No. 2834. On February 1, 2024, SMB filed a Comment on the Petition for Review filed by the BIR in CTA EB No. 2834. On February 28, 2025, the CTA En Banc promulgated its Decision in CTA EB No. 2834 affirming the decision of the CTA Second Division in favor of SMB.

On March 18, 2025, the BIR filed a Motion for Reconsideration dated March 10, 2025 to which SMB filed an Opposition on April 30, 2025.

CTA Case No. 10745, SMB's claim for refund for P1,069, was personally filed on February 2, 2022 and is pending with the CTA First Division. The case is a consolidation of two claims, to wit:

- i. P8 under RA No. 10351 - the overpayment arose from the BIR's imposition of excise tax of P27.07 per liter on SMB's beer products for the period January 23, 2020 to February 9, 2020 based on RMC No. 90-2012 and RR No. 17-2012. Said BIR issuances are inconsistent with RA No. 10351 which imposes an excise tax of P26.44 per liter under Section 143 of the NIRC, as amended by RA No. 10351 beginning January 1, 2020.
- ii. P1,061 under RA No. 11467 - the overpayment arose from the BIR's imposition of excise tax of P35.00 per liter on SMB's beer products, as provided under Section 143 of the NIRC, as amended by RA No. 11467, for the period January 23, 2020 to February 9, 2020. The said imposition was based on RMC No. 65-2020, as amended by RMC No. 113-2020, implementing RA No. 11467 at an earlier date (i.e., January 23, 2020) which is inconsistent with the actual effectivity date of RA No. 11467 (i.e., February 10, 2020).

On November 18, 2024, the CTA First Division rendered a Decision ordering the BIR to refund or issue a Tax Credit Certificate in favor of SMB in the amount of P1,069. On December 11, 2024, the BIR filed a Motion for Partial Reconsideration of the said Decision.

ii. Filed by GSMI

GSMI filed two claims for refund for overpayments of excise taxes with the BIR which were then elevated to the CTA by way of petition for review as follows:

- (a) CTA Case Nos. 8953 and 8954: These cases pertain to GSMI's Claims for Refund with the BIR, in the amounts of P582 in Case No. 8953, and P133 in Case No. 8954, or in the total amount of P715, representing payments of excise tax erroneously, excessively, illegally, and/or wrongfully assessed on and collected from GSMI by the BIR on removals of its distilled spirits or finished products for the periods from January 1, 2013 up to May 31, 2013 in Case No. 8953, and from January 8, 2013 up to March 31, 2013 in Case No. 8954.

The aforementioned assessment and collection arose from the imposition and collection of excise taxes on GSMI's finished products processed and produced exclusively from its inventory of ethyl alcohol, notwithstanding that excise taxes had already been previously paid by GSMI on said ethyl alcohol.

After several hearings and presentation of evidence, both parties filed their respective Formal Offers of Evidence.

On July 28, 2020, the CTA Third Division rendered its Decision and denied GSMI's Petition for Review. GSMI received the said Decision on August 24, 2020, for which it timely filed a Motion for Reconsideration on the aforementioned Decision on September 2, 2020, to which the CIR filed its Opposition.

The CTA Third Division issued an Amended Decision dated February 1, 2021 which partially granted GSMI's Motion for Reconsideration and ruled that GSMI is entitled to a partial refund of its erroneously and excessively paid excise taxes in the amount of P320 out of its original claim of P715.

GSMI and CIR subsequently filed Motions for Reconsideration on the aforesaid Amended Decision and Oppositions to each other's Motion for Reconsideration. In a Resolution dated October 28, 2021, the CTA Third Division denied for lack of merit GSMI's Motion for Reconsideration and CIR's Motion for Partial Reconsideration of the Amended Decision.

On January 4, 2022, GSMI elevated to the CTA En Banc the Decision dated July 28, 2020, Amended Decision dated February 1, 2021, and Resolution dated October 28, 2021 of the CTA Third Division, by way of a Petition for Review, which was docketed as CTA EB No. 2555.

Earlier, the CIR also filed a Petition for Review with the CTA En Banc elevating thereto the Amended Decision dated February 1, 2021 and Resolution dated October 28, 2021 of the CTA Third Division, and the same was docketed as CTA EB No. 2544.

On March 28, 2022, the Court En Banc ordered the Parties to file their respective Comments/Oppositions to the Petitions for Review. On April 7, 2022, GSMI filed a Motion for Extension of Time to File Comment on the Petition for Review in CTA EB No. 2544.

On April 21, 2022, GSMI filed its Comment on the Petition for Review. On May 30, 2022, the Court En Banc promulgated a Resolution which denied GSMI's Motion for Extension and submitted the Petitions for Review for decision. On June 13, 2022, GSMI filed its Motion for Reconsideration assailing the said Resolution.

On October 4, 2022, the Court En Banc promulgated a Resolution which set aside the May 30, 2022 Resolution insofar as the Petitions for Review were submitted for decision. The Resolution likewise directed the CIR to file a Comment to GSMI's Motion for Reconsideration, to which the CIR failed despite due notice.

On January 18, 2023, the CTA En Banc granted GSMI's Motion for Extension of Time to File Comment on the Petition for Review in CTA E.B. No. 2544 and admitted GSMI's Comment as part of the records of the case.

In a Decision dated January 18, 2024 received by GSMI on January 23, 2024, the CTA En Banc denied both the Petitions for Review of GSMI and the CIR, and affirmed the Amended Decision of the CTA Third Division dated October 28, 2021 awarding GSMI a partial refund of P320 only.

GSMI had 15 days from January 23, 2024, or until February 7, 2024, within which to file a Petition for Review on Certiorari with the Supreme Court. On January 30, 2024, GSMI filed a Motion for Extension of Time to File Petition for Review on Certiorari, praying for an extension of 30 days from February 7, 2024, or until March 8, 2024 within which to file a Petition for Review on Certiorari.

On March 4, 2024, GSMI filed with the Supreme Court a Petition for Review on Certiorari dated March 1, 2024, and the same was docketed as Supreme Court G.R. No. 271363. The CIR likewise filed its Petition for Review on Certiorari and the same was docketed as SC G.R. No. 275174.

The case remains pending before the Supreme Court's Third Division.

- (b) CTA Case No. 11052: This case is a judicial claim for refund of alleged deficiency taxes paid under protest by GSMI in connection with its removals of alcohol products for the period covering January 23, 2020 to February 9, 2020, in the aggregate amount of P66.

On July 22, 2020, GSMI received a Notice of Discrepancy dated July 6, 2020 issued by the BIR (the "Original NOD"), which enjoined GSMI to pay alleged deficiency excise taxes in the amount of P40, inclusive of interests, for the period covering January 27, 2020 to February 9, 2020.

On August 6, 2020, GSMI submitted to the BIR its Letter-Reply to the Original NOD, where it emphasized that it is not liable to pay the alleged deficiency excise tax liability, and thus, requested its cancellation and withdrawal.

On October 13, 2020, GSMI received from the BIR a Letter dated September 18, 2020 with an attached Amended Notice of Discrepancy, which modified the amount of the alleged deficiency excise tax liability to P72, inclusive of interests, for the period covering January 23, 2020 to February 9, 2020.

On October 28, 2020, GSMI submitted to the BIR its Letter-Reply to the Amended NOD, where it reiterated its position that it is not liable for the alleged deficiency excise taxes.

On November 11, 2020, GSMI received from the BIR a Letter dated November 6, 2020 which reiterated the finding of alleged deficiency excise tax under the Amended NOD.

On December 29, 2020, GSMI paid under protest the amount of P66, representing the deficiency excise tax portion under the Amended NOD, through the BIR Electronic Filing and Payment System (eFPS).

On January 8, 2021, GSMI submitted to the BIR a Letter-Reply to the BIR's Letter dated November 6, 2020. GSMI reiterated its position that it is not liable for the alleged deficiency excise tax liability under the Amended NOD and informed the BIR that it paid under protest the amount of P66 through eFPS on December 29, 2020. In the same Letter-Reply, GSMI explained that with respect to the assessed penalties from the alleged late payment of the deficiency excise tax, it would avail the remedies available under Revenue Regulations No. 13-2001, as amended.

On July 16, 2021, GSMI received a copy of Letter of Authority (LOA) No. LOA-121-2021-00000109 dated July 1, 2021 issued by the BIR, authorizing its revenue officers to examine GSMI's books of accounts and other accounting records for all internal revenue taxes except for value-added tax for taxable year 2020.

On August 3, 2021, GSMI filed with the CIR an administrative claim for refund of the erroneously or illegally collected deficiency excise tax for the period covering January 23, 2020 to February 9, 2020, in the amount of P66, which GSMI paid under protest on December 29, 2020.

On March 7, 2022, the BIR issued a letter notifying GSMI on the transmittal of the entire docket to CIR's Legal Service Division for its resolution and issuance of a clarificatory ruling on the administrative claim for refund.

Prior to the expiry of the two-year statutory period to file judicial action for the recovery of erroneously or illegally collected internal revenue taxes, GSMI filed a Petition for Review with the CTA on December 28, 2022 pursuant to Section 204(C) and 229, Tax Code, and Section 3(a), Rule 8, Revised Rules of the CTA in order to preserve its right to claim by judicial action its claims for refund of its erroneously or illegally collected deficiency excise taxes, in connection with its removals of alcohol products for the period covering January 23, 2020 to February 9, 2020.

The case was docketed as CTA Case No.11052, and was raffled to the CTA's First Division. In a Resolution dated May 29, 2023, the CTA First Division ordered the transfer of the case to the CTA Third Division.

Upon service of Summons to the CIR and the filing of the CIR's Answer dated March 24, 2023, pre-trial conference was held on July 26, 2023. Pursuant to the CTA's Order, the parties filed their Joint Stipulation of Facts and Issues on August 29, 2023. Pre-trial was terminated upon the issuance of the CTA's Pre-Trial Order on September 5, 2023.

GSMI presented its lone witness during the hearing on October 4, 2023. At the same hearing, the CTA ordered GSMI to file its Formal Offer of Evidence within ten days therefrom, or not later than October 13, 2023.



GSMI filed its Formal Offer of Evidence on October 13, 2023. Respondent CIR filed his Comment with Manifestation on GSMI's Formal Offer of Evidence on November 17, 2023. Respondent CIR's counsel manifested that they will no longer present testimonial evidence since there was no report of the investigation on GSMI's refund claim forwarded to their office.

On January 25, 2024, GSMI received the CTA's Resolution dated January 23, 2024, which admitted its Exhibits "P-1" to "P-17" and "P-19" to "P-21", inclusive of sub-markings. Moreover, the CTA's Resolution noted the manifestation of Respondent CIR that he will no longer present evidence, constraining the CTA to direct the parties to submit their respective memorandum within 30 days from receipt of the Resolution.

GSMI filed its Memorandum on February 23, 2024. In a Resolution dated March 7, 2024, the CTA noted the filing of GSMI's Memorandum. In its Resolution dated March 22, 2024, the CTA noted the failure of the CIR to file its Memorandum and submitted the case for resolution.

On March 21, 2025, the CTA Third Division promulgated its Decision which granted GSMI's Petition for Review. In the Decision, the CTA ordered the CIR to refund or issue a tax credit certificate in favor of GSMI amounting to P66, representing erroneously and illegally collected basic excise tax on the removals of alcohol for the period from January 23, 2020 to February 9, 2020.

On April 10, 2025, CIR filed its Motion for Reconsideration of the CTA's Decision. On April 25, 2025, GSMI received a copy of CIR's Motion, which sought the reversal and setting aside of the Decision, and prayed for the issuance of a new one denying or dismissing GSMI's Petition for Review for lack of merit and/or failure to exhaust administrative remedies. On May 14, 2025, GSMI filed its Comment to the CIR's Motion for Reconsideration.

In a Resolution dated September 9, 2025, the CTA Third Division denied CIR's MR for lack of merit. Subsequently, the CIR filed before the CTA En Banc a Petition for Review dated September 24, 2025.

On October 15, 2025, GSMI received a copy of CIR's Petition for Review, appealing the CTA Decision and Resolution.

On November 20, 2025, GSMI received the CTA En Banc's Notice of Resolution dated November 15, 2025, directing GSMI to file its Comment/Opposition on the Petition for Review within 10 days from receipt, or until December 1, 2025.

GSMI filed its Comment/Opposition to the Petition for Review on December 1, 2025. The case before the CTA En Banc is now submitted for resolution.

- (c) CTA Case No. 9059: This case pertains to GSMI's Claim for Refund with the BIR, in the total amount of P26, representing payments of excise tax erroneously, excessively, illegally, and/or wrongfully assessed on and collected from GSMI by the BIR on removals of its distilled spirits or finished products for the period from June 1, 2013 up to July 31, 2013.

The aforementioned assessment and collection arose from the imposition and collection of excise taxes on GSMI's finished products processed and produced exclusively from its inventory of ethyl alcohol, notwithstanding that excise taxes had already been previously paid by GSMI on the said ethyl alcohol.

After the presentation of its testimonial and documentary evidence, GSMI filed its Formal Offer of Evidence and Supplemental Offer of Evidence, which were all admitted by the CTA. BIR's presentation of evidence was set to January 23, 2019.

In a decision dated February 6, 2020, the CTA denied GSMI's Claim for refund for insufficiency of evidence. On February 20, 2020, GSMI filed a Motion for Reconsideration of the said Decision. However, the Motion for Reconsideration was denied by the CTA on June 9, 2020. On August 28, 2020, GSMI elevated the case to the CTA *En Banc* by way of a Petition for Review.

In a Decision dated November 10, 2021, the CTA En Banc denied the Petition for Review filed by GSMI. The Decision dated February 6, 2020 and the Resolution dated June 9, 2020 of the CTA Second Division were affirmed.

On December 10, 2021, GSMI elevated the Decision of the CTA En Banc to the Supreme Court by way of a Petition for Review, which was docketed as SC G.R. No. 25839.

In its Resolution dated July 14, 2025, which GSMI received on November 11, 2025, the Supreme Court deferred action on this case. In its Resolution dated August 27, 2025, which GSMI received on November 13, 2025, the Supreme Court resolved to consolidate G.R. No. 257839, "Ginebra San Miguel Inc. vs. Commissioner of Internal Revenue", with G.R. No. 271363, "Ginebra San Miguel Inc. vs. Commissioner of Internal Revenue" and G.R. No. 275174, "Commissioner of Internal Revenue vs. Ginebra San Miguel Inc.", considering that all the cases arose from the same antecedent facts, involve the same parties, and raise interrelated issues.

The case remains pending before the Supreme Court's Third Division.

- Deficiency Tax Liabilities

- i. IBI

On December 27, 2016, IBI received a Formal Letter of Demand for tax year 2012 with a demand for payment of income tax, VAT, withholding tax, documentary stamp tax (DST) and miscellaneous tax deficiencies with administrative penalties. IBI filed a Protest. Due to the inaction of the BIR, IBI filed a Petition for Review with the CTA Third Division and docketed as CTA Case No. 9657.

On March 2, 2020, the CTA First Division promulgated its Decision partially granting IBI's Petition for Review. The assessment for deficiency income tax, VAT, DST and compromise penalty are cancelled and set aside. However, the assessment for deficiency expanded withholding tax is affirmed, and IBI was ordered to pay deficiency expanded withholding tax including interest and surcharges amounting to P5.

On October 29, 2020, the BIR filed a Petition for Review with CTA En Banc. On January 25, 2021, IBI filed its Comment to the Petition for Review. On July 21, 2022, the CTA En Banc denied the BIR's Petition for Review. Thereafter, the BIR filed for a motion for reconsideration which was also denied by the CTA En Banc.

The BIR filed a Petition for Review on Certiorari dated January 9, 2023 with the Supreme Court docketed as G.R. No. 264402.

- ii. SMFI

- (a) SMFI vs. Office of the City Treasurer, City of Davao

SMFI filed several protests against the assessments issued by the City Treasurer of Davao City imposing permit fees to slaughter against its poultry dressing plants in Sirawan, Toril District and Los Amigos, Tugbok District both located in Davao City.

Following the dismissal of the appeals filed by SMFI with the Davao RTC, the following Petitions for review were filed with the CTA:

- CTA Case AC No. 209, filed on August 23, 2018
- CTA Case AC No. 210, filed on November 12, 2018
- CTA Case AC No. 249, filed on February 26, 2021

It is SMFI's position that Section 367 (a) of the 2005 Revenue Code of the City of Davao (Revenue Code of Davao City) on the imposition of permit fee to slaughter is applicable only to slaughterhouses operated by the City Government of Davao City. SMFI's poultry dressing plants in Sirawan, Toril District and Los Amigos, Tugbok District, being privately owned and operated slaughterhouses are beyond the coverage of Section 357 (a) of the Revenue Code of Davao City. In addition, given that SMFI is already paying ante and post mortem fees for the slaughter of poultry products pursuant to Section 367 (d) of the same Revenue Code, the assessment of permit fee to slaughter would constitute double taxation.

In CTA Case AC No. 209, the CTA First Division dismissed SMFI's Petition on May 29, 2020 and denied the Motion for Reconsideration on February 22, 2021. A Petition for Review was filed on May 12, 2021 with the CTA En Banc and docketed as CTA Case EB No. 2474. On January 31, 2023, the CTA En Banc denied SMFI's Petition. SMFI filed for a Motion for Reconsideration which was likewise denied on August 4, 2023. Following the denial, SMFI elevated and filed for Petition for Review with the Supreme Court on December 27, 2023.

Moreover, the CTA First Division also dismissed on July 3, 2020 the Petition docketed as CTA Case AC No. 210, and on July 28, 2021, SMFI's Motion for Reconsideration was denied. On October 8, 2021, SMFI filed a Petition for Review with the CTA En Banc docketed as CTA Case EB No. 2535, which was likewise denied on May 18, 2023. Thus, a Motion for Reconsideration was filed on September 15, 2023 with the same being denied on March 4, 2024.

Lastly, the CTA Special Third Division on October 12, 2022, dismissed the Petition for Review docketed as CTA Case AC No. 249 on the ground of lack of jurisdiction on permit fees as it is not a tax, therefore outside the CTA's jurisdiction. On December 22, 2022, SMFI filed a Motion for Reconsideration but was denied on November 9, 2023.

On April 2, 2024, SMFI Management decided not to pursue the above cases as the poultry dressing plants were already closed, therefore SMFI will no longer have future economic benefit from winning the cases.

*(c) Commitments*

The outstanding purchase commitments of the Group amounted to P87,234 and P94,986 as at December 31, 2025 and 2024, respectively.

*(d) Foreign Exchange Rates*

The foreign exchange rates used in translating the US Dollar accounts of foreign subsidiaries to Philippine Peso were closing rates of P58.790 and P57.845 in 2025 and 2024, respectively, for consolidated statements of financial position accounts; and average rates of P57.508, P57.279 and P55.632 in 2025, 2024 and 2023, respectively, for income and expense accounts.

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### **37. Events After the Reporting Date**

*a) Declaration of Cash Dividends*

On February 6, 2026, the BOD of the Company declared cash dividends to all common shareholders of record as of February 20, 2026 amounting to P0.50 per common share. Cash dividends for common shares were paid on March 6, 2026.

*b) Impact of the United States of America-Israel-Iran Conflict*

The Middle East (US-Israel vs. Iran) War resulted in supply chain bottlenecks and escalation of fuel and commodity prices including prices of materials and other production inputs, shipping/freight costs as well as higher foreign currency exchange for imported raw materials including malt and hops. On the demand side, the Middle East War is tempering consumption of goods including Group's products and shift to lower-priced substitutes amid weaker purchasing power from elevated inflation and softer consumer incomes.

To ensure uninterrupted supply of requirements on materials and full goods amid pricing volatilities and disruptions, the Group strengthened supply chain capabilities and efficiency enhancements in terms of procurement and inventory of materials and full goods, diversification of sources of strategic materials, close monitoring of costs and supply alongside intensified cost management initiatives. Volume-generating initiatives were likewise further strengthened with the intensified focus on faster-growing, more resilient segments and areas while sustaining value-for-money and affordability programs given economic difficulties.

Impact of the Middle East (US-Israel vs. Iran) on the Group's operations is largely dependent on future developments, including the duration and severity of the War as well as actions and decisions taken or not taken by the international community and the Philippine government.

These developments represent non-adjusting events after the reporting date, as the conditions arose subsequent to December 31, 2025 and did not exist at the reporting date. Accordingly, these events do not affect the amounts recognized in the consolidated financial statements as at and for the year ended December 31, 2025. Considering the high level of uncertainty at the moment, the Group is unable to reliably estimate the financial impact of the ongoing war on the Group's carrying amount of assets and liabilities, and financial performance for the next financial year.

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

SEC Registration Number

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**COMPANY NAME**

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

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Department requiring the report

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Secondary License Type, If Applicable

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**COMPANY INFORMATION**

Company's email Address

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| N/A |
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Company's Telephone Number/s

|                |
|----------------|
| (02) 5317-5000 |
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Mobile Number

|     |
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| N/A |
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No. of Stockholders

|     |
|-----|
| 188 |
|-----|

Annual Meeting (Month Day)

|        |
|--------|
| June 5 |
|--------|

Fiscal Year (Month Day)

|             |
|-------------|
| December 31 |
|-------------|

**CONTACT PERSON INFORMATION**

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

Name of Contact Person

|                         |
|-------------------------|
| Monica L. Ang - Mercado |
|-------------------------|

Email Address

|     |
|-----|
| N/A |
|-----|

Telephone Number/s

|                |
|----------------|
| (02) 5317-5000 |
|----------------|

Mobile Number

|     |
|-----|
| N/A |
|-----|

**CONTACT PERSON'S ADDRESS**

|                                        |
|----------------------------------------|
| 40 San Miguel Avenue, Mandaluyong City |
|----------------------------------------|

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

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

# R.G. Manabat & Co.



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet [www.home.kpmg/ph](http://www.home.kpmg/ph)  
Email [ph-inquiry@kpmg.com](mailto:ph-inquiry@kpmg.com)

## **REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders  
**San Miguel Food and Beverage, Inc.**  
40 San Miguel Avenue,  
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of San Miguel Food and Beverage, Inc. and its Subsidiaries (the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered our report dated April 15, 2026.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Group's management. Such additional components include:

- Map of the Conglomerate
- Supplementary Schedules of Annex 68-J

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025  
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029  
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

# R.G. Manabat & Co.



These supplementary information are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

## R.G. MANABAT & CO.

*Maria Arlene C. Yu*  
MARIA ARLEENE C. YU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10764424

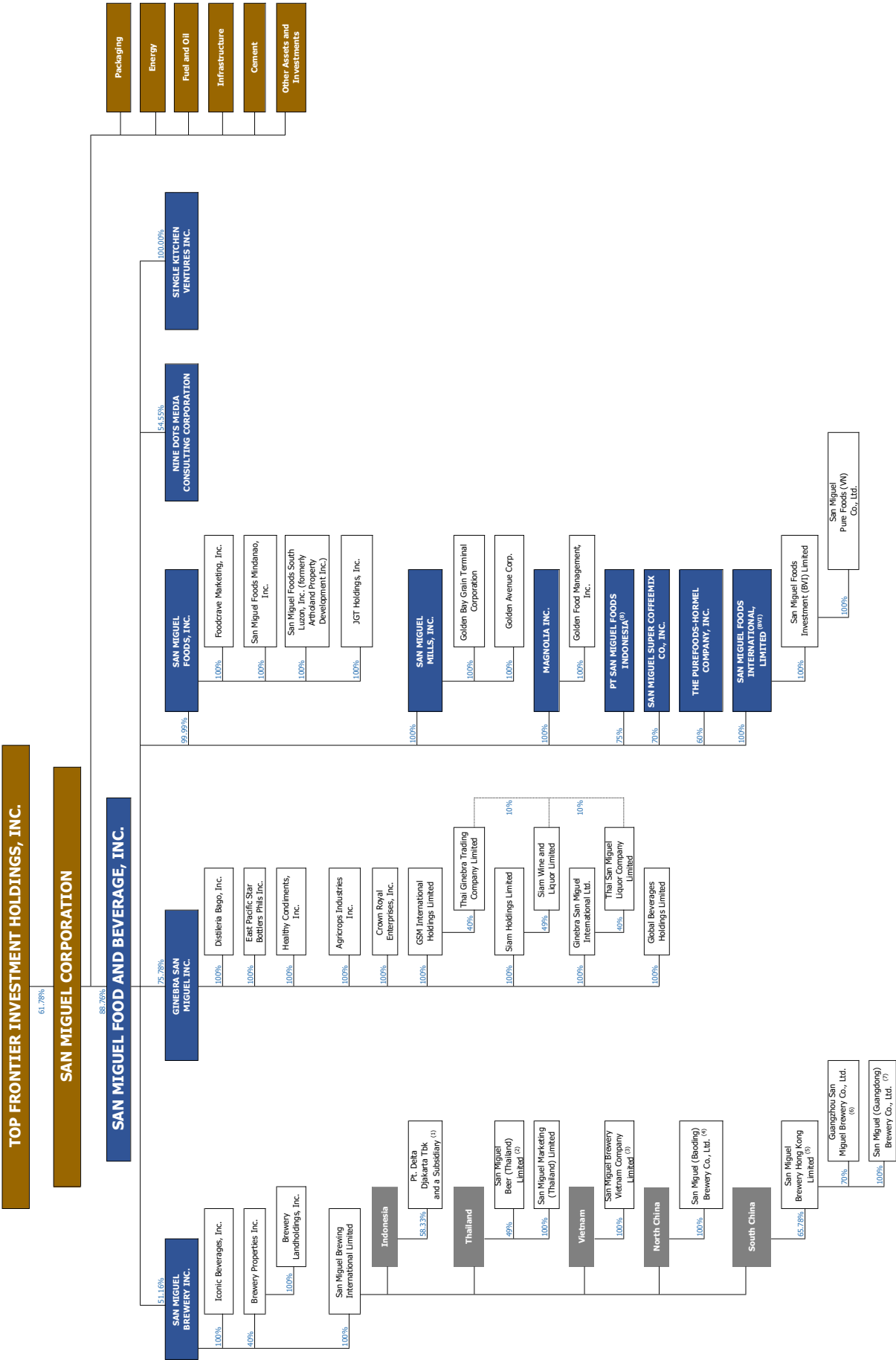
Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila



SAN MIGUEL FOOD AND BEVERAGE, INC.  
MAP OF THE CONGLOMERATE  
DECEMBER 31, 2025



The structure includes the ultimate parent company, **Top Frontier Investment Holdings, Inc.** and the intermediate parent company, **San Miguel Corporation** with its major subsidiaries, associates and joint ventures.

**I. San Miguel Food and Beverage, Inc.**

1. Owned thru San Miguel Malaysia (L) Pte. Ltd.
2. Owned thru San Miguel Holdings (Thailand) Limited
3. Owned thru Dragon Island Investments Limited and San Miguel (Vietnam) Limited
4. Owned thru San Miguel Brewing International Limited (BVI) and San Miguel (China) Investment Company Limited. The company has ceased operations and is in the process of liquidation.
5. Owned thru Neptunia Corporation Limited. Neptunia has a subsidiary, San Miguel Company Limited which operates in Taiwan.
6. Owned thru San Miguel (Guangdong) Limited; undergoing liquidation
7. Owned thru San Miguel Shunde Holdings Limited
8. The company has ceased operations and is in the process of liquidation.

**II. Co-Subsidiaries**

9. Packaging includes San Miguel Yamamura Packaging Corporation and subsidiaries, Mindanao Corrugated Fibreboard, Inc., and San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Phu Tho Packaging Co. Ltd., San Miguel Yamamura Haiphong Glass Company Ltd., Zhaoqing San Miguel Yamamura Glass Company Ltd., Foshan San Miguel Yamamura Packaging Co., Ltd. and subsidiary, San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, San Miguel Yamamura Plastic Films Sdn. Bhd., San Miguel Yamamura Australasia Pty. Ltd. and subsidiaries including SHYC Pty. Ltd. and subsidiary, SHYV Pty. Ltd., SHYP Pty. Ltd., SHYBB Pty. Ltd., SHYJ Pty. Ltd., SHYV Ltd. and SHYJ Ltd.
10. Energy includes San Miguel Global Power Holdings Corp. and subsidiaries, including Sual Power Inc. and subsidiary, San Roque Hydropower Inc., Limay Power Inc., Malita Power Inc., SMC PowerGen Inc., SMCOP Masinloc Partners Company Limited, SMCOP Masinloc Power Company Limited, Masinloc Power Co. Ltd., PowerOne Ventures Energy Inc., SWGP BESS Power Inc., SWGP Kabankalan Power Co. Ltd., and Mariveles Power Generation Corporation.
11. Fuel and Oil includes Petron Corporation and subsidiaries, including Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd., New Ventures Realty Corporation and subsidiaries, Mema Holdings Inc. and subsidiaries, Petron Singapore Trading Pte. Ltd., Petron Global Limited, Petron Oil & Gas Mauritius Ltd and subsidiary, Petron Oil & Gas International Sdn. Bhd. and subsidiaries including Petron Fuel International Sdn. Bhd., Petron Oil (M) Sdn. Bhd. and Petron Malaysia Refining & Marketing Bhd. (collectively Petron Malaysia) and Petrochemical Asia (HK) Limited and subsidiaries.
12. Infrastructure includes San Miguel Holdings Corp. and subsidiaries, including SMC MALAY Corporation, Trans Air Development Holdings Corp., SMC TPLEX Holdings Company, Inc. and subsidiary, SMC TPLEX Corporation, Universal LRT Corporation (BVI) Limited, Atlantic Aurum Investments B.V. and subsidiaries, Wiselink Investment Holdings, Inc., Cypress Tree Capital Investments, Inc. and subsidiaries, San Miguel Aerocity Inc., SMC Mass Rail Transit 7 Inc., Luzon Clean Water Development Corporation, Alloy Manila Toll Expressways Inc., SMC Infraventures Inc. and subsidiary, SMC Skyway Stage 4 Corporation, Pasig River Expressway Corporation, Intelligent E-Processes Technologies Corp., SMC Northern Access Link Expressway Corp., SMC Southern Access Link Expressway Corp., South Luzon Toll Road-5 Expressway, Inc., TPLEX Operations and Maintenance Corporation, SMC NBEX Inc., SMC CBEX Inc., SMC PLEX Inc., SMC TPLEX Extension Infrastructure Corp. and Jehandler Asia Services Inc.
- Atlantic Aurum Investments B.V. subsidiaries include SMC Tollways Corporation and subsidiaries including Stage 3 Connector Tollways Holdings Corporation and subsidiary, SMC Skyway Corporation and subsidiary, Skyway O & M Corporation, SMC SLEX Holdings Company Inc. and subsidiaries including Manila Toll Expressway Systems, Inc., SMC SLEX Inc. and SMC Tollway Holdings S.à.r.l.
- Cypress Tree Capital Investments, Inc. subsidiaries include Star Infrastructure Development Corporation and Star Tollway Corporation (collectively the Star Tollways Group).
13. Cement includes San Miguel Equity Investments Inc. and subsidiaries, including Northern Cement Corporation, Eagle Cement Corporation and subsidiaries, and Southern Concrete Industries, Inc.
14. Other Assets and Investments includes San Miguel Properties, Inc. and subsidiaries, including SMCPT Makati Flagship Realty Corp., Bright Ventures Realty, Inc. and Tierra Verdosa Services Corp., SMC Shipping and Lighterage Corporation and subsidiaries, including SL Harbor Bulk Terminal Corporation, SMC Asia Car Distributors Corp. and subsidiaries, SMC Equinvest Corporation, Perogen Insurance Corp., San Miguel International Limited and subsidiary, San Miguel Insurance Company, Ltd., SMC Stock Transfer Service Corporation, ArchEn Technologies Inc., SMITS, Inc. and subsidiaries, San Miguel Integrated Logistics Services, Inc., Anchor Insurance Brokerage Corporation and subsidiaries, Silverides Holdings Corporation and subsidiary, Deity Holdings Corporation, Fonterra Verde Holdings Inc., One Verdana Holdings Inc. and Worldsummit Holdings Corporation.

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**AGING OF ACCOUNTS RECEIVABLE**  
**DECEMBER 31, 2025**  
*(In Millions)*

|                                      |          |          | Past Due    |              |              |              |  |
|--------------------------------------|----------|----------|-------------|--------------|--------------|--------------|--|
|                                      | Total    | Current  | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | Over 90 Days |  |
| Trade                                | P 27,481 | P 20,935 | P 4,669     | P 1,164      | P 169        | P 544        |  |
| Non-trade                            | 1,308    | 586      | 214         | 52           | 49           | 407          |  |
| Others                               | 2,237    | 481      | 248         | 38           | 41           | 1,429        |  |
| Total                                | 31,026   | P 22,002 | P 5,131     | P 1,254      | P 259        | P 2,380      |  |
| Less allowance for impairment losses | 1,135    |          |             |              |              |              |  |
| Net                                  | P 29,891 |          |             |              |              |              |  |

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**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2025**

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- |   |                                                                                                                                    |                |
|---|------------------------------------------------------------------------------------------------------------------------------------|----------------|
| A | - FINANCIAL ASSETS                                                                                                                 |                |
| B | - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES) | NOT APPLICABLE |
| C | - AMOUNTS RECEIVABLE/ PAYABLE WITH RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS       |                |
| D | - INTANGIBLE ASSETS - OTHER ASSETS                                                                                                 |                |
| E | - LONG-TERM DEBT                                                                                                                   |                |
| F | - INDEBTEDNESS TO RELATED PARTIES                                                                                                  | NOT APPLICABLE |
| G | - GUARANTEES OF SECURITIES OF OTHER ISSUERS                                                                                        | NOT APPLICABLE |
| H | - CAPITAL STOCK                                                                                                                    |                |

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**

**SCHEDULE A - FINANCIAL ASSETS**

**DECEMBER 31, 2025**

(Amounts in Millions, except Number of Shares Data)

| <b>Name of Issuing Entity/<br/>Description of Each Issue</b> | <b>Number of Shares<br/>or Principal<br/>Amount of<br/>Bonds and Notes</b> | <b>Amount<br/>Shown in the<br/>Statements of<br/>Financial Position</b> | <b>Value Based<br/>on Market<br/>Quotations at<br/>December 31, 2025</b> | <b>Income (Loss)<br/>Received<br/>and Accrued</b> |
|--------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------|
| Cash and cash equivalents                                    | -                                                                          | P64,506                                                                 | - Not Applicable -                                                       | P2,762                                            |
| Trade and other receivables - net                            | -                                                                          | 29,891                                                                  | - Not Applicable -                                                       | 14                                                |
| Restricted Cash                                              | -                                                                          | 215                                                                     | - Not Applicable -                                                       | -                                                 |
| Derivative assets                                            | -                                                                          | 37                                                                      | - Not Applicable -                                                       | (183) *                                           |
| Investment in equity at FVOCI **                             | -                                                                          | 5,990                                                                   | 5,990                                                                    | 145                                               |
| Investment in debt instruments at<br>amortized cost **       | -                                                                          | 11,500                                                                  | 11,500                                                                   | 865                                               |
| Noncurrent receivables and deposits - net                    | -                                                                          | 241                                                                     | - Not Applicable -                                                       | -                                                 |
|                                                              |                                                                            | <b>P112,380</b>                                                         | <b>P17,490</b>                                                           | <b>P3,603</b>                                     |

\* This represents net marked-to-market gain/losses from derivative assets and derivative liabilities that have matured during the year and those that are still outstanding as of year-end.

\*\* The number of shares or principal amounts of bonds and notes are presented in ATTACHMENT TO SCHEDULE A - FINANCIAL ASSETS.

See Notes 4, 11, 12, 30, 33 and 34 of the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**ATTACHMENT TO SCHEDULE A - FINANCIAL ASSETS**  
**DECEMBER 31, 2025**

(Amounts in Millions, except Number of Shares Data)

| <b>Name of Issuing Entity</b>                   | <b>No. of Shares or Principal Amount of Bonds and Notes</b> | <b>Valued Based on Market Quotation at December 31, 2025</b> |
|-------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------|
| San Miguel Food and Beverage Inc. Club Filipino | 1                                                           | P1                                                           |
| Makati Sports Club, Inc.                        | 1                                                           | -                                                            |
| Philippine Long Distance Telephone Company      | 325                                                         | 2                                                            |
| Valle Verde Country Club, Inc.                  | 1                                                           | 3                                                            |
| Manila Electric Company                         | 14,895                                                      | -                                                            |
| San Miguel Foods, Inc.                          |                                                             |                                                              |
| Club Filipino                                   | 1                                                           | 1                                                            |
| Manila Southwoods Golf & Country Club           | 1                                                           | 5                                                            |
| Orchard Golf & Country Club                     | 1                                                           | 3                                                            |
| Philippine Long Distance Tel. Co.               | 5,428                                                       | -                                                            |
| Sta. Elena Golf & Country Club                  | 1                                                           | 21                                                           |
| Tagaytay Highland Golf and Country Club         | 1                                                           | 3                                                            |
| Makati Sports Club, Inc.                        | 1                                                           | 2                                                            |
| Royal Tagaytay Country Club                     | 1                                                           | -                                                            |
| Magnolia, Inc.                                  |                                                             |                                                              |
| Alabang Country Club, Inc.                      | 1                                                           | 15                                                           |
| The Purefoods-Hormel Company, Inc.              |                                                             |                                                              |
| Capitol Hills Golf and Country Club, Inc.       | 1                                                           | -                                                            |
| San Miguel Brewery, Inc and subsidiaries        |                                                             | 5,879                                                        |
| San Miguel Corporation                          |                                                             |                                                              |
| Bank of Commerce                                | 3,500,000,000                                               | 3,500                                                        |
| Philippine Commercial Capital, Inc.             | 8,000,000,000                                               | 8,000                                                        |
| Neptunia Corporation                            |                                                             |                                                              |
| HSBC Holdings                                   | 20,400                                                      | 19                                                           |
| San Miguel Brewery Hong Kong                    |                                                             |                                                              |
| The Pacific Club Kowloon                        | 1                                                           | 8                                                            |
| The American Club Hong Kong                     | 1                                                           | 10                                                           |
| Hong Kong Football Club                         | 1                                                           | 8                                                            |
| Discovery Bay Golf Club                         | 1                                                           | 10                                                           |
| <b>Total Financial Assets</b>                   |                                                             | <b>P17,490</b>                                               |

See Notes 4, 11, 12, 30, 33 and 34 of the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED**  
**DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**  
(Amounts in Millions)

| NAME OF RELATED PARTY                     | BEGINNING<br>BALANCE | ADDITIONS/<br>CUMULATIVE<br>TRANSLATION<br>RESERVE/<br>RECLASS/OTHERS | AMOUNTS<br>PAID/DEBIT<br>MEMO | AMOUNTS<br>WRITTEN<br>OFF | TOTAL         | CURRENT       | NON<br>CURRENT | ENDING<br>BALANCE |
|-------------------------------------------|----------------------|-----------------------------------------------------------------------|-------------------------------|---------------------------|---------------|---------------|----------------|-------------------|
| San Miguel Food and Beverage, Inc.        | P340                 | P4,657                                                                | (P4,671)                      | P -                       | P326          | P326          | P -            | P326              |
| Single Kitchen Ventures Inc.              | -                    | 19                                                                    | (19)                          | -                         | -             | -             | -              | -                 |
| Nine Dots Media Consulting Corporation    | 69                   | 59                                                                    | (64)                          | -                         | 64            | 64            | -              | 64                |
| San Miguel Foods, Inc.                    | 3,756                | 6                                                                     | (5)                           | -                         | 3,757         | 3,757         | -              | 3,757             |
| The Purefoods-Hormel Company, Inc.        | 6                    | 6                                                                     | (6)                           | -                         | 6             | 6             | -              | 6                 |
| San Miguel Super Coffeemix Co., Inc.      | 211                  | 2                                                                     | (2)                           | -                         | 211           | 211           | -              | 211               |
| San Miguel Mills, Inc.                    | -                    | 1                                                                     | (1)                           | -                         | -             | -             | -              | -                 |
| Magnolia, Inc.                            | 5                    | 5                                                                     | (5)                           | -                         | 5             | 5             | -              | 5                 |
| San Miguel Brewery, Inc. and Subsidiaries | 78                   | 141                                                                   | (146)                         | -                         | 73            | 31            | 42             | 73                |
| Ginebra San Miguel, Inc. and Subsidiaries | 13                   | 55                                                                    | (57)                          | -                         | 11            | 11            | -              | 11                |
|                                           | <b>P4,478</b>        | <b>P4,951</b>                                                         | <b>(P4,976)</b>               | <b>P -</b>                | <b>P4,453</b> | <b>P4,411</b> | <b>P42</b>     | <b>P4,453</b>     |

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**SCHEDULE C - AMOUNTS PAYABLE TO RELATED PARTIES WHICH ARE ELIMINATED**  
**DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**  
(Amounts in Millions)

| NAME OF RELATED PARTY                        | BEGINNING<br>BALANCE | ADDITIONS/<br>CUMULATIVE<br>TRANSLATION<br>RESERVE/<br>RECLASS/OTHERS | AMOUNTS<br>COLLECTED/<br>CREDIT MEMO | AMOUNTS<br>WRITTEN<br>OFF | TOTAL         | CURRENT       | NON<br>CURRENT | ENDING<br>BALANCE |
|----------------------------------------------|----------------------|-----------------------------------------------------------------------|--------------------------------------|---------------------------|---------------|---------------|----------------|-------------------|
| San Miguel Food and Beverage, Inc.           | P4,005               | P20                                                                   | (P20)                                | P -                       | P4,005        | P4,005        | P -            | P4,005            |
| San Miguel Foods, Inc.                       | 120                  | 571                                                                   | (588)                                | -                         | 103           | 103           | -              | 103               |
| The Purefoods-Hormel Company, Inc.           | 14                   | 667                                                                   | (668)                                | -                         | 13            | 13            | -              | 13                |
| San Miguel Mills, Inc.                       | 3                    | 1,059                                                                 | (1,059)                              | -                         | 3             | 3             | -              | 3                 |
| Magnolia, Inc.                               | 38                   | 1,702                                                                 | (1,719)                              | -                         | 21            | 21            | -              | 21                |
| PT San Miguel Foods Indonesia                | 255                  | 16                                                                    | -                                    | -                         | 271           | 271           | -              | 271               |
| San Miguel Foods Intl. Ltd                   | 1                    | 813                                                                   | (812)                                | -                         | 2             | 2             | -              | 2                 |
| SMF Investment (BVI) Ltd.                    | 3                    | -                                                                     | -                                    | -                         | 3             | 3             | -              | 3                 |
| San Miguel Brewery, Inc. and<br>Subsidiaries | 29                   | 52                                                                    | (56)                                 | -                         | 25            | 25            | -              | 25                |
| Ginebra San Miguel, Inc. and<br>Subsidiaries | 10                   | 11                                                                    | (14)                                 | -                         | 7             | 7             | -              | 7                 |
|                                              | <b>P4,478</b>        | <b>P4,911</b>                                                         | <b>(P4,936)</b>                      | <b>P -</b>                | <b>P4,453</b> | <b>P4,453</b> | <b>P -</b>     | <b>P4,453</b>     |



**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**SCHEDULE D - INTANGIBLE ASSETS AND OTHER ASSETS**  
**DECEMBER 31, 2025**  
(Amounts in Millions)

**Part A - Goodwill and Other Intangible Assets**

| Description                          | Beginning Balance | Additions/<br>Acquisition of<br>Subsidiaries | Other Changes/<br>Reclassification/<br>(Disposal) | Charged to<br>Costs and<br>Expenses | Cumulative<br>Translation<br>Reserve | Ending Balance |
|--------------------------------------|-------------------|----------------------------------------------|---------------------------------------------------|-------------------------------------|--------------------------------------|----------------|
| <b>Cost</b>                          |                   |                                              |                                                   |                                     |                                      |                |
| Trademarks and brand names           | P37,373           | P -                                          | P -                                               |                                     | P33                                  | P37,406        |
| Licenses                             | 2,243             | -                                            | -                                                 |                                     | 209                                  | 2,452          |
| Computer software and licenses       | 1,599             | 9                                            | -                                                 |                                     | 3                                    | 1,611          |
| Goodwill                             | 996               | -                                            | -                                                 |                                     | -                                    | 996            |
| Formulas and recipes and franchise   | 65                | -                                            | -                                                 |                                     | -                                    | 65             |
|                                      | 42,276            | 9                                            | -                                                 |                                     | 245                                  | 42,530         |
| <b>Accumulated Amortization</b>      |                   |                                              |                                                   |                                     |                                      |                |
| Computer software and licenses       | 1,345             | -                                            | (8)                                               | 105                                 | 2                                    | 1,444          |
|                                      | 1,345             | -                                            | (8)                                               | 105                                 | 2                                    | 1,444          |
| <b>Accumulated Impairment Losses</b> |                   |                                              |                                                   |                                     |                                      |                |
| Trademarks and brand names           | 265               | -                                            | -                                                 | -                                   | 4                                    | 269            |
| Computer software and licenses       | 5                 | -                                            | -                                                 | -                                   | -                                    | 5              |
|                                      | 270               | -                                            | -                                                 | -                                   | 4                                    | 274            |
| <b>Carrying Amount</b>               | <b>P40,661</b>    | <b>P9</b>                                    | <b>P8</b>                                         | <b>(P105)</b>                       | <b>P239</b>                          | <b>P40,812</b> |

See Note 16 of the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**SCHEDULE D - INTANGIBLE ASSETS AND OTHER ASSETS**  
**DECEMBER 31, 2025**  
(Amounts in Millions)

**Part B - Other Noncurrent Assets**

| Description                             | Beginning Balance | Additions/<br>Acquisition of<br>Subsidiaries | Other Changes/<br>Reclassification/<br>(Disposal) | Charged to Costs<br>and Expenses | Cumulative<br>Translation<br>Reserve/ Fair<br>Value Reserve | Ending Balance |
|-----------------------------------------|-------------------|----------------------------------------------|---------------------------------------------------|----------------------------------|-------------------------------------------------------------|----------------|
| <b>Costs</b>                            |                   |                                              |                                                   |                                  |                                                             |                |
| Deferred containers                     | P57,373           | P8,331                                       | (P3,704)                                          | P -                              | (P43)                                                       | P61,957        |
| Noncurrent receivables and deposits     | 244               | 6                                            | (9)                                               | -                                | -                                                           | 241            |
| Noncurrent prepaid input tax            | 187               | -                                            | (187)                                             | -                                | -                                                           | -              |
| Pallets and crates                      | 517               | 282                                          | 72                                                | (363)                            | -                                                           | 508            |
| Idle assets                             | 4,391             | -                                            | (237)                                             | -                                | (9)                                                         | 4,145          |
| Deposits on land for future development | 1,938             | 121                                          | (439)                                             | (52)                             | -                                                           | 1,568          |
| Noncurrent prepaid rent                 | 140               | 24                                           | 11                                                | -                                | -                                                           | 175            |
| Others - net                            | 757               | 471                                          | (205)                                             | -                                | 4                                                           | 1,027          |
|                                         | 65,547            | 9,235                                        | (4,698)                                           | (415)                            | (48)                                                        | 69,621         |
| <b>Accumulated Amortization</b>         |                   |                                              |                                                   |                                  |                                                             |                |
| Deferred containers                     | 29,957            | -                                            | (2,289)                                           | 6,558                            | (6)                                                         | 34,220         |
| Idle Assets                             | 2,359             | -                                            | (221)                                             | 27                               | (6)                                                         | 2,159          |
|                                         | 32,316            | -                                            | (2,510)                                           | 6,585                            | (12)                                                        | 36,379         |
| <b>Accumulated Impairment:</b>          |                   |                                              |                                                   |                                  |                                                             |                |
| Deferred containers                     | 544               | -                                            | (280)                                             | 121                              | -                                                           | 385            |
| Idle assets                             | 1,220             | -                                            | 2                                                 | -                                | (2)                                                         | 1,220          |
|                                         | 1,764             | -                                            | (278)                                             | 121                              | (2)                                                         | 1,605          |
| <b>Other Noncurrent Assets - net</b>    | <b>P31,467</b>    | <b>P9,235</b>                                | <b>(P1,910)</b>                                   | <b>(P7,121)</b>                  | <b>(P34)</b>                                                | <b>P31,637</b> |

See Note 17 of the Consolidated Financial Statement.

# SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES

## SCHEDULE E – LONG-TERM DEBT

DECEMBER 31, 2025

(Amounts in Millions)

| Title of Issue | Agent/Lender                         | Outstanding Balance | Current Portion of Debt | Transaction Cost Current | Amount Shown as Current | Non-current Portion of Debt | Non-current Transaction Costs | Amount Shown as Non-current | Current and Long term Debt | Interest Rate                                                                       | Number of Periodic Installments                                                   | Interest Payments | Final Maturity     |
|----------------|--------------------------------------|---------------------|-------------------------|--------------------------|-------------------------|-----------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------|--------------------|
| Fixed          | Banco De Oro Unibank, Inc.           | P4,000              | P4,000                  | (P2)                     | P3,998                  | P -                         | P -                           | P -                         | P3,998                     | 3.80%                                                                               | Bullet                                                                            | Quarterly         | March 30, 2026     |
| Fixed          | Bank of the Philippine Islands       | 2,000               | 2,000                   | (1)                      | 1,999                   | -                           | -                             | -                           | 1,999                      | 3.95%                                                                               | Bullet                                                                            | Quarterly         | March 30, 2026     |
| Fixed          | China Banking Corporation            | 1,500               | 1,500                   | 0                        | 1,500                   | -                           | -                             | -                           | 1,500                      | 3.950%                                                                              | Bullet                                                                            | Quarterly         | March 30, 2026     |
| Fixed          | Rizal Commercial Banking Corporation | 2,400               | 2,400                   | (1)                      | 2,399                   | -                           | -                             | -                           | 2,399                      | 3.88%                                                                               | Amortized                                                                         | Quarterly         | March 30, 2026     |
| Fixed          | Banco De Oro Unibank, Inc.           | 2,000               | 120                     | (0)                      | 120                     | 1,880                       | (5)                           | 1,875                       | 1,995                      | 4.15%                                                                               | Amortized                                                                         | Quarterly         | March 30, 2028     |
| Fixed          | Bank of the Philippine Islands       | 4,000               | -                       | -                        | -                       | 4,000                       | (27)                          | 3,973                       | 3,973                      | 6.19%                                                                               | Bullet                                                                            | Quarterly         | May 15, 2030       |
| Fixed          | Bank of the Philippine Islands       | 3,000               | -                       | -                        | -                       | 3,000                       | (6)                           | 2,994                       | 2,994                      | 5.75%                                                                               | Bullet                                                                            | Quarterly         | April 1, 2027      |
| Fixed          | China Banking Corporation            | 5,000               | -                       | -                        | -                       | 5,000                       | (17)                          | 4,983                       | 4,983                      | 6.84%                                                                               | Bullet                                                                            | Quarterly         | December 20, 2027  |
| Fixed          | China Banking Corporation            | 5,000               | -                       | -                        | -                       | 5,000                       | (17)                          | 4,983                       | 4,983                      | 6.53%                                                                               | Bullet                                                                            | Quarterly         | February 21, 2028  |
| Fixed          | Bank of the Philippine Islands       | 5,000               | -                       | -                        | -                       | 5,000                       | (31)                          | 4,969                       | 4,969                      | 6.57%                                                                               | Bullet                                                                            | Quarterly         | December 21, 2029  |
| Fixed          | China Banking Corporation            | 2,000               | -                       | -                        | -                       | 2,000                       | (12)                          | 1,988                       | 1,988                      | 6.57%                                                                               | Bullet                                                                            | Quarterly         | December 21, 2029  |
| Fixed          | China Banking Corporation            | 3,000               | -                       | -                        | -                       | 3,000                       | (20)                          | 2,980                       | 2,980                      | 6.57%                                                                               | Bullet                                                                            | Quarterly         | December 23, 2031  |
| Fixed          | RCBC Trust and Investments Division  | 7,000               | -                       | -                        | -                       | 7,000                       | (18)                          | 6,982                       | 6,982                      | 5.250%                                                                              | Bullet                                                                            | Quarterly         | March 10, 2027     |
| Fixed          | China Banking Corporation            | 5,000               | -                       | -                        | -                       | 5,000                       | (35)                          | 4,965                       | 4,965                      | 6.295%                                                                              | 1% of principal amount Starting June, 2030 and the final balance on March 5, 2032 | Quarterly         | March 5, 2032      |
| Floating       | Bank of the Philippine Islands       | 4,154               | 62                      | -                        | 62                      | 4,092                       | (28)                          | 4,064                       | 4,126                      | 5.373%                                                                              | Equal quarterly principal installments                                            | Quarterly         | March 5, 2032      |
| Fixed          | Bank of the Philippine Islands       | 1,840               | 1,840                   | (2)                      | 1,838                   | -                           | -                             | -                           | 1,838                      | 3.284%                                                                              | 28 Quarters                                                                       | Quarterly         | December 18, 2026  |
| Fixed          | Bank of the Philippine Islands       | 9,553               | 149                     | (1)                      | 148                     | 9,404                       | (32)                          | 9,372                       | 9,520                      | 3.548%                                                                              | 28 Quarters                                                                       | Quarterly         | December 12, 2029  |
| Floating       | Bank of the Philippine Islands       | 7,642               | 118                     | (0)                      | 118                     | 7,524                       | (26)                          | 7,498                       | 7,616                      | i) 3-month PHP BVAL + 0.75% or ii) BSP 28-day TDF Rate + 0.375% whichever is higher | 28 Quarters                                                                       | Quarterly         | December 12, 2029  |
| Fixed          | BDO Unibank, Inc.                    | 5,000               | 5,000                   | (2)                      | 4,998                   | -                           | -                             | -                           | 4,998                      | 3.846%                                                                              | 20 Quarters                                                                       | Quarterly         | September 29, 2026 |
| Fixed          | Bank of the Philippine Islands       | 2,000               | 2,000                   | (6)                      | 1,994                   | -                           | -                             | -                           | 1,994                      | 3.846%                                                                              | 20 Quarters                                                                       | Quarterly         | September 29, 2026 |
|                |                                      | <b>P81,089</b>      | <b>P19,189</b>          | <b>(P15)</b>             | <b>P19,174</b>          | <b>P61,900</b>              | <b>(P274)</b>                 | <b>P61,626</b>              | <b>P80,800</b>             |                                                                                     |                                                                                   |                   |                    |

See Notes 20, 27, 33 and 34 of the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**SCHEDULE H - CAPITAL STOCK**  
**DECEMBER 31, 2025**

| Description      | Number of<br>Shares<br>Authorized | Number of<br>Shares<br>Issued | Share Swap<br>Transaction | Stock Split   | Treasury<br>Shares | Shares Issued<br>and<br>Outstanding | Number of Shares Held |                              |             |
|------------------|-----------------------------------|-------------------------------|---------------------------|---------------|--------------------|-------------------------------------|-----------------------|------------------------------|-------------|
|                  |                                   |                               |                           |               |                    |                                     | Related<br>Party      | Directors<br>and<br>Officers | Others      |
| Common Shares    | 11,600,000,000                    | 170,874,854                   | 4,242,549,130             | 1,537,873,686 | 42,077,580         | 5,909,220,090                       | 5,245,082,440         | 150                          | 664,137,500 |
| Preferred Shares | 40,000,000                        | 30,000,000                    | -                         | -             | 30,000,000         | -                                   | -                     | -                            | -           |
| Total            | 11,640,000,000                    | 200,874,854                   | 4,242,549,130             | 1,537,873,686 | 72,077,580         | 5,909,220,090                       | 5,245,082,440         | 150                          | 664,137,500 |

See Notes 21 and 31 of the Consolidated Financial Statements.

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE - RELATED INFORMATION**  
**DECEMBER 31, 2025**  
(Amounts in Millions)

|                                       | 2025       | 2024       |
|---------------------------------------|------------|------------|
| <b>Total Audit Fees</b>               | <b>P60</b> | <b>P63</b> |
| Non-audit services fees:              |            |            |
| Other assurance services              | 1          | 1          |
| Tax services                          | 2          | 3          |
| All other services                    | 4          | 2          |
| <b>Total Non-audit Fees</b>           | <b>7</b>   | <b>6</b>   |
| <b>Total Audit and Non-Audit Fees</b> | <b>P67</b> | <b>P69</b> |

# R.G. Manabat & Co.



R.G. Manabat & Co.  
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## REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders  
**San Miguel Food and Beverage, Inc.**  
100 E. Rodriguez Jr. Avenue (C-5 Road)  
Barangay Ugong, Pasig City

We have audited, in accordance with Philippine Standards on Auditing, the separate financial statements of San Miguel Food and Beverage, Inc. (the Company) as at and for the years ended December 31, 2025 and 2024, on which we have rendered our report dated April 15, 2026.

Our audits were made for the purpose of forming an opinion on the separate financial statements of the Company taken as a whole. The supplementary information included in the Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the separate financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the separate financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the separate financial statements taken as a whole.

### R.G. MANABAT & CO.

*Maria Arleene C. Yu*  
MARIA ARLEENE C. YU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10764424

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029

financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

**RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION  
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**  
(Amounts in Thousands)

**San Miguel Food and Beverage, Inc.**  
**(A Subsidiary of San Miguel Corporation)**  
40 San Miguel Avenue, Mandaluyong City

|                                                                                                                              |                     |
|------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Unappropriated Retained Earnings, beginning of reporting period</b>                                                       | <b>P2,026,180</b>   |
| <b>Less: Items that are directly debited to Unappropriated Retained Earnings</b>                                             |                     |
| Dividend declaration during the reporting period                                                                             | <b>18,023,121</b>   |
| <b>Unappropriated Retained Earnings, as adjusted</b>                                                                         | <b>(15,996,941)</b> |
| <b>Add: Net income for the current year</b>                                                                                  | <b>18,080,514</b>   |
| <b>Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>                     |                     |
| Unrealized foreign exchange gain, except those attributable to cash and cash equivalents                                     | <b>4,930</b>        |
| <b>Sub-total</b>                                                                                                             | <b>18,075,584</b>   |
| <b>Adjusted Net Income</b>                                                                                                   | <b>2,078,643</b>    |
| <b>Add: Other items that should be excluded from the determination of the amount of available for dividends distribution</b> |                     |
| Deferred tax expense                                                                                                         | <b>702</b>          |
| <b>Sub-total</b>                                                                                                             | <b>702</b>          |
| <b>Total Retained Earnings, end of the reporting period available for dividend</b>                                           | <b>P2,079,345</b>   |

# R.G. Manabat & Co.



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## REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders  
**San Miguel Food and Beverage, Inc.**  
40 San Miguel Avenue  
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of San Miguel Food and Beverage, Inc. and its Subsidiaries (the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered our report dated April 15, 2026.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas and calculations, is the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

### R.G. MANABAT & CO.

  
MARIA ARLEENE C. YU

Partner

CPA License No. 0108855

SEC Accreditation No. 108855-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 225-068-761

BIR Accreditation No. 08-000745-041-2023

Issued October 9, 2023, valid until October 9, 2026

PTR No. MKT 10764424

Issued January 5, 2026 at Makati City

April 15, 2026  
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029

financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External



**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**40 San Miguel Avenue, Mandaluyong City**  
**FINANCIAL SOUNDNESS INDICATORS**

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the periods indicated below.

| KPI                      | As of December 31, 2025                         | As of December 31, 2024                         |
|--------------------------|-------------------------------------------------|-------------------------------------------------|
| Liquidity:               |                                                 |                                                 |
| Current Ratio            | 1.22                                            | 1.24                                            |
| Quick Ratio              | 0.79                                            | 0.75                                            |
| Solvency:                |                                                 |                                                 |
| Debt to Equity Ratio     | 0.98                                            | 1.09                                            |
| Asset to Equity Ratio    | 1.98                                            | 2.09                                            |
| Profitability:           |                                                 |                                                 |
| Return on Average Equity |                                                 |                                                 |
| Attributable to Equity   |                                                 |                                                 |
| Holders of the Parent    | 24.64%                                          | 22.85%                                          |
| Company                  |                                                 |                                                 |
| Interest Rate Coverage   | 13.49                                           | 12.16                                           |
| Ratio                    |                                                 |                                                 |
| Return on Assets         | 12.08%                                          | 11.17%                                          |
|                          |                                                 |                                                 |
|                          | <b>For the Year Ended<br/>December 31, 2025</b> | <b>For the Year Ended<br/>December 31, 2024</b> |
| Operating Efficiency:    |                                                 |                                                 |
| Volume Growth            | 0.50%                                           | 2.00%                                           |
| Revenue Growth           | 4.54%                                           | 5.54%                                           |
| Operating Margin         | 14.57%                                          | 13.92%                                          |

The manner by which the Group calculates the above indicators is as follows:

| KPI                                                                           | Formula                                                                                                                                                       |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Ratio                                                                 | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$                                                                                                    |
| Quick Ratio                                                                   | $\frac{\text{Current Assets} - \text{Inventory} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$              |
| Debt to Equity Ratio                                                          | $\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$                                                                                       |
| Asset to Equity Ratio                                                         | $\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$                                                                                            |
| Return on Average Equity Attributable to Equity Holders of the Parent Company | $\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}}{\text{Average Equity Attributable to Equity Holders of the Parent Company}^*}$ |
| Interest Rate Coverage Ratio                                                  | $\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$                                                      |
| Return on Assets                                                              | $\frac{\text{Net Income}}{\text{Average Total Assets}}$                                                                                                       |
| Volume Growth                                                                 | $\left( \frac{\text{Sum of all Businesses' Sales at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$                                         |
| Revenue Growth                                                                | $\left( \frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$                                                                    |
| Operating Margin                                                              | $\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$                                                                                            |

\* Excluding cash dividends paid to preferred shareholders

\*\* Excluding preferred capital stock and related additional paid-in capital

| Company Name / Subsidiary                | Address                                                                                 | Rented / Owned                               | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                 |
|------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------|-----------|-----------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>FOOD AND BEVERAGE BUSINESS</b>        |                                                                                         |                                              |           |                                                           |                             |                                                                                                                               |
| <b>1 SAN MIGUEL BREWERY, INC.</b>        |                                                                                         |                                              |           |                                                           |                             |                                                                                                                               |
| <b>A. DOMESTIC</b>                       |                                                                                         |                                              |           |                                                           |                             |                                                                                                                               |
| <b>Production Facilities</b>             |                                                                                         |                                              |           |                                                           |                             |                                                                                                                               |
| Polo                                     | Marulas, Valenzuela City, Metro Manila                                                  | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| San Fernando                             | Brgy. Quebiawan, McArthur Highway, San Fernando, Pampanga                               | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Sta. Rosa                                | Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna                 | Building & Facilities-<br>Owned; Land-Rented | Good      | P2,384,096.00 subj. to<br>escalation                      | June 30, 2030               | With Option to buy the lot;<br>Rented from Lucky Nine<br>Properties Inc.                                                      |
|                                          |                                                                                         |                                              |           | P1,707,797.52 subj. to<br>escalation                      | November 30, 2030           |                                                                                                                               |
|                                          |                                                                                         |                                              |           | P1,549,670.07 subj. to<br>escalation                      | August 31, 2038             |                                                                                                                               |
| Bacolod                                  | Brgy. Granada, Sta. Fe, Bacolod City, Negros Occidental                                 | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Mandaue                                  | National Highway, Brgy. Tipolo, Mandaue City                                            | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
|                                          |                                                                                         |                                              |           |                                                           |                             |                                                                                                                               |
| Davao                                    | Brgy. Darong, Sta. Cruz, Davao del Sur                                                  | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Cagayan de Oro                           | Sta. Ana, Tagoloan, Misamis Oriental                                                    | Building & Facilities-<br>Owned; Land-Rented | Good      | 1,464,087.43                                              | March 25, 2028              | The lease may be renewed for<br>a period of 25 years upon such<br>terms and conditions mutually<br>agreed upon by the parties |
| <b>Sales/Area Offices and Warehouses</b> |                                                                                         |                                              |           |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | SMC Complex, Brgy. Quebiawan, McArthur Highway, San Fernando, Pampanga                  | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Carmen East, Rosales, Pangasinan                                                        | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Caranglaan Dist., Dagupan City, Pangasinan                                              | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Naguilian Road, San Carlos Heights, Brgy. Irisan, Baguio City, Benguet                  | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Pennsylvania Ave., Brgy. Madayegdeg, San Fernando, La Union                             | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Brgy. San. Fermin, Cauayan, Isabela                                                     | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | National Road, Brgy. Mabini, Santiago City, Isabela                                     | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | San Andres St., San Angelo Subdivision, Sto. Domingo, Angeles City, Pampanga            | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Brgy. 22, San Guillermo, San Nicolas, Ilocos Norte                                      | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Brgy. Tablac, Candon City, Ilocos Sur                                                   | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Maharlika Highway, Brgy. Sta Maria, Lal-Lo, Cagayan                                     | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Cagayan Valley Rd., Brgy. Sta. Cruz, Guiguinto, Bulacan                                 | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Gapan-Olongapo Rd., Poblacion San Isidro, Nueva Ecija                                   | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Central North Luzon Area                 | Cabanatuan S.O. - Emilio Vergara Blvd., Brgy. Sumacab Este Cabanatuan City, Nueva Ecija | Land & Building-Rented                       | Good      | 300,000.00                                                | August 31, 2029             | Renewable upon mutual<br>agreement of both parties.                                                                           |
| Central North Luzon Area                 | Barangay Sta. Rita, Guiguinto, Bulacan                                                  | Warehouse Parking<br>space - rented          | Good      | 439,958.46                                                | May 31, 2027                | Renewable upon mutual<br>agreement of both parties                                                                            |
| Greater Manila Area North                | A. Cruz cor S. Asistio St., Brgy. 95, East Grace Park, Calocan City                     | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Greater Manila Area North                | Honorio Lopez Blvd cor Gamban St., Balut, Tondo, Manila                                 | Owned                                        | Good      |                                                           |                             |                                                                                                                               |
| Greater Manila Area North                | Brgy. Mangga, Cubao, Quezon City                                                        | Owned                                        | Good      |                                                           |                             |                                                                                                                               |

| Company Name / Subsidiary | Address                                                                                    | Rented / Owned                        | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                  |
|---------------------------|--------------------------------------------------------------------------------------------|---------------------------------------|-----------|-----------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Greater Manila Area North | portion of Tondo S.O. - Buendia cor. Guidote St., Tondo Manila                             | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| Greater Manila Area North | Novaliches S.O. - Quirino Highway Brgy. Kaligayahan, Novaliches, Quezon City, Metro Manila | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| Greater Manila Area North | 685 Tandang Sora Ave., Quezon City                                                         | Warehouse-Rented                      | Good      | 177,857.14                                                | May 31, 2026                | The Contract is subject to renewal or extension under such terms and conditions as may be mutually agreed upon between the parties in writing. |
| Greater Manila Area South | 489 Pureza St. corner Lardizabal St., Barangay 425, 489 Pureza, Sta. Mesa, Manila          | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| Greater Manila Area South | M. Carreon St., Brgy. 864, Sta. Ana District, Manila                                       | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| Greater Manila Area South | 1922 Dr. M. Carreon St., Sta. Ana, Manila                                                  | Warehouse - Rented                    | Good      | 75,000.00                                                 | April 30, 2026              |                                                                                                                                                |
| Greater Manila Area South | Manila East Rd., Brgy. Dolores, Taytay, Rizal                                              | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| Greater Manila Area South | No. 100 Bernabe Subd., Brgy. San Dionisio, Sucat, Parahaque City, Metro Manila             | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| Greater Manila Area South | Pasig S.O. - Mercedes Ave., Pasig City, Metro Manila                                       | Land & Warehouse-Rented               | Good      | 2,098,783.47                                              | December 31, 2029           | Renewable upon mutual agreement of both parties                                                                                                |
| Greater Manila Area South | Dr. A. Santos Ave., Bgy. San Dionisio, Parahaque City                                      | Land                                  | Good      | 977,159.52                                                | November 30, 2026           | Renewable upon mutual agreement of both parties                                                                                                |
| South Luzon Area          | Silangan Exit, Canlubang, Calamba City, Laguna                                             | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| South Luzon Area          | Maharlika Highway, Brgy. Isabang, Lucena City, Quezon                                      | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| South Luzon Area          | Maharlika Highway, Brgy. Villa Bota, Gumaca, Quezon                                        | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| South Luzon Area          | Maharlika Highway, Brgy. Concepcion Grande Pequeña, Naga City, Camarines Sur               | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| South Luzon Area          | Brgy. Mandaragat, Puerto Princesa City, Palawan                                            | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| South Luzon Area          | Aurora Quezon and Calderon St., Brgy. Labangan, San Jose, Occidental Mindoro               | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| South Luzon Area          | National Rd., Brgy. Balagtas, Batangas City, Batangas                                      | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| South Luzon Area          | Ayala Highway, Brgy. Balintawak, Lipa City, Batangas                                       | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| South Luzon Area          | Bgy. Pinamarbuhon, Mobo, Masbate                                                           | Land, Warehouse and Open Space-Rented | Good      | 204,899.63                                                | March 31, 2026              | Renewable upon mutual agreement of both parties                                                                                                |
| South Luzon Area          | Daraga S.O. - P4, Salvacion, Daraga Albay                                                  | Warehouse, Office & Open Space-Rented | Good      | 487,600.00                                                | February 28, 2026           | Renewable upon mutual agreement of both parties                                                                                                |
| South Luzon Area          | Dasmariñas S.O. - Brgy. Langkaan II, Governors Drive, Dasmariñas, Cavite                   | Warehouse-Rented                      | Good      | 526,246.88                                                | November 15, 2026           | Renewable upon mutual agreement of both parties                                                                                                |
| South Luzon Area          | Warehouse No. 5, 7 and 8, The Warehouse Malagasang II-C, City of Imus, Cavite              | Warehouse-Rented                      | Good      | 833,689.71                                                | April 30, 2026              | Renewable upon mutual agreement of both parties                                                                                                |
| South Luzon Area          | Bulan S.O. -Sitio Pawa, Brgy. Lajong, Bulan, Sorsogon                                      | Warehouse-Rented                      | Good      | 125,812.50                                                | October 31, 2027            | Renewable upon mutual agreement of both parties                                                                                                |
| South Luzon Area          | Pila S.O. - Brgy. Bulihan Norte, National Highway, Pila, Laguna                            | Warehouse-Rented                      | Good      | 267,857.14                                                | September 30, 2026          | Renewable upon mutual agreement of both parties                                                                                                |
| Negros                    | Brgy. Granada, Sta. Fe, Bacolod City, Negros Occidental                                    | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| Negros                    | Muelle Loney St., Brgy. Legaspi, Iloilo City                                               | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |
| Negros                    | National Hi-way, Brgy. 4, Himamaylan City, Negros Occidental                               | Owned                                 | Good      |                                                           |                             |                                                                                                                                                |

| Company Name / Subsidiary                                                             | Address                                                                     | Rented / Owned                                 | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                   |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------|-----------|-----------------------------------------------------------|-----------------------------|-------------------------------------------------|
| Negros                                                                                | Flores St., Brgy. Sum-Ag, Bacolod City, Negros Occidental                   | Owned                                          | Good      |                                                           |                             |                                                 |
| Negros                                                                                | Brgy Camanci Norte, Numanancia, Aklan                                       | Owned                                          | Good      |                                                           |                             |                                                 |
| Negros                                                                                | Brgy. Libas, Roxas City, Capiz                                              | Owned                                          | Good      |                                                           |                             |                                                 |
| Negros                                                                                | West Rovira Road, Pulantubig, Dumaguete City                                | Land & Land Improvement, Warehouse-Rented      | Good      | 219,260.75                                                | December 31, 2025           | With on going renewal for another year          |
| Negros                                                                                | Brgy. Pagduque, Dumangas, Iloilo                                            | Warehouse-Rented                               | Good      | 416,053.33                                                | June 15, 2026               | Renewable upon mutual agreement of both parties |
| Negros                                                                                | Meliza St. Brgy. Zamora, Iloilo City                                        | Region Office                                  | Good      | 69,618.00                                                 | December 31, 2026           | Renewable upon mutual agreement of both parties |
| Visayas                                                                               | National Highway, Brgy. Tipolo, Mandaue City                                | Owned                                          | Good      |                                                           |                             |                                                 |
| Visayas                                                                               | Brgy. Mercedes, Diversion Road, Catbalogan City, Samar                      | Warehouse & Open Space-Rented                  | Good      | 96,600.00                                                 | November 30, 2031           | Renewable upon mutual agreement of both parties |
| Visayas                                                                               | Brgy. Mercedes, Diversion Road, Catbalogan City, Samar                      | Warehouse, Office Space & Open Space-Rented    | Good      | 196,350.00                                                | November 30, 2031           | Renewable upon mutual agreement of both parties |
| Visayas                                                                               | Tagbilaran S.O. - Tomas Cloma Ave., Taloto District, Tagbilaran City, Bohol | Warehouse-Rented                               | Good      | 160,714.29                                                | October 31, 2026            | Renewable upon mutual agreement of both parties |
| Visayas                                                                               | Fatima Village, Tacloban City, Leyte                                        | Portion of Land-Rented/Portion of Land-Owned   | Good      | 280,447.36                                                | May 31, 2027                | Renewable upon mutual agreement of both parties |
| Mindanao                                                                              | Brgy. Darong Sta. Cruz, Davao del Sur                                       | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | National Highway, Bgy. Ulas, Talomo, Davao City                             | Land & Land Improvements-Rented/Building-Owned | Good      | 102,345.25                                                | December 31, 2025           | With on going renewal for another year          |
| Mindanao                                                                              | National Highway, Brgy. Magugpo, Tagum City                                 | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | Sergio Osmeña, Brgy. Poblacion, Koronadal City                              | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | National Highway, Brgy. Lagao, Gen. Santos City                             | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | National Highway, Brgy. Luyong Bonbon, Opol, Misamis Oriental               | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | R.T. Lim Blvd., Baliwasan, Zamboanga City                                   | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | Brgy. Bongtod, Tandag City, Surigao del Sur                                 | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | J.P. Rizal Ave., Poblacion, Digos City                                      | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | R. Calo St., Fort Poyohan, Butuan City                                      | Owned                                          | Good      |                                                           |                             |                                                 |
| Mindanao                                                                              | Montilla Boulevard, Villa Kananga, Butuan City                              | Warehouse Facilities and Office-Rented         | Good      | 468,750.00                                                | September 30, 2026          | Renewable upon mutual agreement of both parties |
| Mindanao                                                                              | Brgy. Aguada, Ozamiz City                                                   | Building-Rented                                | Good      | 127,145.53                                                | August 31, 2032             | Renewable upon mutual agreement of both parties |
| Mindanao                                                                              | Liloy S.O. - Baybay, Liloy, Zamboanga del Norte                             | Warehouse-Rented                               | Good      | 75,892.86                                                 | September 30, 2026          | Renewable upon mutual agreement of both parties |
| Mindanao                                                                              | Dipolog S.O. - Sta. Filomena, Dipolog City                                  | Warehouse-Rented                               | Good      | 50,892.86                                                 | September 30, 2028          | Renewable upon mutual agreement of both parties |
| <b>Terminal</b>                                                                       |                                                                             |                                                |           |                                                           |                             |                                                 |
| Bataan Malt Terminal (land, building, machineries & equipment, furnitures & fixtures) | Mariveles, Bataan                                                           | Building & Facilities-Owned; Land-Rented       | Good      | 716,387.86                                                | April 30, 2026              | Renewable upon mutual agreement of both parties |
| Lucanin Malt Terminal                                                                 | Mariveles, Bataan                                                           | Building & Facilities-Owned; Land-Rented       |           | 551,678.40                                                | December 31, 2043           |                                                 |

| Company Name / Subsidiary                     | Address                                                                                    | Rented / Owned                             | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated)   | Expiry of Lease<br>Contract                                        | Terms of Renewal /<br>Options                                                          |
|-----------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------|-----------|-------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| <b>Investment Properties</b>                  |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
|                                               | Brgy. Estefania, Bacolod City (9 lots)                                                     | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | No. 31 Rosario St., Brgy. Granada, Bacolod City                                            | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Brgy. Penabatan, Pullian, Bulacan                                                          | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | L26 B11, Brgy. Sto.Domingo, Sta.Rosa, Laguna                                               | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Jaro, Iloilo (2 lots)                                                                      | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Barrio of Tinajeros, Malabon City (2 lots)                                                 | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Bo. of San Jose and Poblacion Cabanatuan City (3 lots)                                     | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
|                                               | Barrio de Mallorca, San Leonardo, Nueva Ecija (2 lots)                                     | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Poblacion, San Leonardo, Nueva Ecija                                                       | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Lot 5009 Imus Estate, Imus Cavite                                                          | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Imus Friar, Imus, Prov. of Cavite (2 lots)                                                 | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Lot 5159 Poblacion, Imus Prov. Of Cavite                                                   | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Barrio of San Rafael & San Roque (2 lots)                                                  | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Bo. Of Poblacion 2nd Municipality of Tarlac (2 lots)                                       | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | 71-B-3-B-4 Barrio Suizo Municipality of Tarlac                                             | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Bo. Mabiao, San Fabian, Pangasinan (5 lots)                                                | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Brgy. Gabut Norte, Badoc, Ilocos Norte                                                     | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               | Pozorrubio, Pangasinan                                                                     | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
|                                               |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| <b>Head Office</b>                            |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| Office Space                                  | 40 San Miguel Ave., Mandaluyong City                                                       | Rented                                     | Good      | 5,295,677.34                                                | December 31, 2025                                                  | Renewed on January 1, 2026<br>for another year                                         |
|                                               |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| <b>B. INTERNATIONAL</b>                       |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| <b>Breweries</b>                              |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| San Miguel Beer (Thailand) Ltd.               | 89 Moo2, Tiwanon Rd., Baan Mai, Muang , Pathumtani 12000, Thailand                         | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
| PT Delta Jakarta Tbk                          | Jalan Inspeksi Tarum Barat Desa Setia Darma Tambun Bekasi Timur 17510, Indonesia           | Building Owned. Land under Land Use Rights | Good      |                                                             | Various parcels of land. September 2027, November 2028, March 2039 | For renewal two years before the expiry date.                                          |
|                                               |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| San Miguel Brewery Hong Kong Limited          | 22 Wang Lee Street, Yuen Long Industrial Estate, Yuen Long, New Territories, Hong Kong     | Building-Owned; Land-Rented                | Good      | HKD 229,600.00                                              | 2047                                                               | No renewal options                                                                     |
| San Miguel (Guangdong) Brewery Co., Ltd       | San Miguel Road 1#, Longjiang Town, Shunde District, Guangdong Province, China             | Owned                                      | Good      | Land price paid upfront. Annual land-use right tax RMB341k. | May 14, 2053                                                       | Renewal 1 month before expiration date.                                                |
|                                               |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| San Miguel (Baoding) Brewery Co. Ltd.         | Shengli Street, Tianwei West Road, Baoding City, Hebei Province, China                     | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
| San Miguel Brewery Vietnam Ltd.               | Quoc Lo 1, Suoi Hiep, Dien Khanh, Khanh Hoa                                                | Owned                                      | Good      |                                                             |                                                                    |                                                                                        |
| <b>Sales/Area Offices and Warehouses</b>      |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| <b>San Miguel Brewery Hong Kong Limited</b>   | 9th Floor, Citimark Building, No.28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, NT, Hong Kong | Land-Rented                                | Good      | HKD 39,290.00                                               | 2047                                                               | No renewal options                                                                     |
|                                               | San Miguel Industrial Building, No. 9-11 Shing Wan Road, Tai Wai, Shatin, NT, Hongkong     | Land-Rented                                | Good      | HKD 165,528.00                                              | 2047                                                               | No renewal options                                                                     |
| <b>San Miguel Brewery Hong Kong Limited</b>   |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| <b>San Miguel (Guangdong) Brewery Co.,Ltd</b> | San Miguel Road 1#, Longjiang Town, Shunde District, Guangdong Province, China             | Owned                                      | Good      | Land price paid upfront. Annual land-use right tax RMB341k. | May 14, 2053                                                       | Renewal 1 month before expiration date.                                                |
|                                               |                                                                                            |                                            |           |                                                             |                                                                    |                                                                                        |
| Guangzhou Admin Office                        | 32nd Floor, No. 362 Jiangnan Avenue South, Haizhu District, Guangzhou                      | Office Space-Rented                        | Good      | RMB7,736.20                                                 | July 31, 2028                                                      | Renewable upon mutual agreement of both parties by 30 days before the expiration date. |

| Company Name / Subsidiary                                                                       | Address                                                                                                                                  | Rented / Owned      | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated)                                                          | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------|--------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Guangzhou Sales Office                                                                          | Room 2602, No. 238, Changgang Middle Road, Haizhu District, Guangzhou                                                                    | Office Space-Rented | Good      | 2025/8/1-2025/9/30:<br>RMB 2,728.00<br>2025/10/1-2027/7/31:<br>RMB 5,456.00<br>2027/8/1-2028/7/31:<br>RMB 5,729.00 | July 31, 2028               | Upon the expiration of the lease term, the original leased property shall be returned to lessor. If leasee wish to continue renting the house, should negotiate with lessor 30 days in advance and both parties should sign a separate agreement. |
| Shenzhen Sales Office                                                                           | Room 319, 3rd Floor, Liangji Zhihui Building, No. 184 Qingquan Road, Longhua Street, Longhua District, Shenzhen                          | Office Space-Rented | Good      | RMB 5,180.00                                                                                                       | October 31, 2027            | At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties.                                                                                                           |
| Jieyang Sales Office                                                                            | Shop 3, 4th Floor, Building 7, West of Jianshi Village, Rongcheng District, Jieyang                                                      | Office Space-Rented | Good      | RMB 2,000.00                                                                                                       | February 28, 2027           | At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties.                                                                                                           |
| GM's apartment                                                                                  | Room 2801, Floor 2, Building 9, Poly Liangxi Garden, No. 36, Qingfeng West Road, Nantai District, Foshan City, Guangdong Province, China | Apartment-Rented    | Good      | RMB 12,550.00                                                                                                      | June 30, 2026               | At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties.                                                                                                           |
| <b>San Remo Taiwan (SRT)</b><br>Taipei Office                                                   | 3F-3, No.167, Fusing N. Rd., Taipei, Taiwan (ROC)                                                                                        | Leased              | Good      | NTD 157,850.00                                                                                                     | April 15, 2028              | At the end of contract, lease and rent will be discussed by both parties.                                                                                                                                                                         |
| Taichung Office                                                                                 | No.159, Shuwang Rd., Dali Dist., Taichung City 412, Taiwan (R.O.C.)                                                                      | Leased              | Good      | NTD 39,000.00                                                                                                      | December 31, 2027           | At the end of contract, lease and rent will be discussed by both parties.                                                                                                                                                                         |
| Kaohsiung Office                                                                                | No.305-6, Renlin Rd., Renwu Dist., Kaohsiung City 814, Taiwan (R.O.C.)                                                                   | Leased              | Good      | NTD 88,000.00                                                                                                      | April 30, 2028              | At the end of contract, lease and rent will be discussed by both parties.                                                                                                                                                                         |
| <b>San Miguel China Investment Company Limited</b>                                              | Rooms 1213 and 1218, 12F, No. 1 Building, No. 12 Nongzhanguan South Road, Chaoyang District, Beijing China 100026                        | Office Space-Rented | Good      | RMB 13,654.00                                                                                                      | September 30, 2026          | Renewable upon mutual agreement of both parties                                                                                                                                                                                                   |
| <b>San Miguel (China) Investment Co. Ltd.</b>                                                   | 1-7A, 1-9C, 1-7C Parkview Tower Chaoyang District Beijing 100027, China                                                                  | Owned               | Good      | N/A                                                                                                                | N/A                         |                                                                                                                                                                                                                                                   |
| <b>San Miguel Baoding Brewery Company Limited</b><br>San Miguel Baoding Brewery Company Limited | Shengli Street, Tianwei West Road, Baoding City Hebei Province, China                                                                    | Land-Rented         | Good      | Entire rent paid at the start of lease term                                                                        | June 01, 2046               | Renewable upon mutual agreement of both parties                                                                                                                                                                                                   |
| San Miguel Baoding Brewery Company Limited                                                      | 6-1-101, Xinsiji, Longxing Road, Baoding City, Hebei Province, China                                                                     | Office Space-Rented | Good      | RMB 1,831.60                                                                                                       | September 30, 2026          | Renewable upon mutual agreement of both parties                                                                                                                                                                                                   |

| Company Name / Subsidiary                                                            | Address                                                                                      | Rented / Owned      | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                   |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------|-----------|-----------------------------------------------------------|-----------------------------|-------------------------------------------------|
| <b>San Miguel Marketing Thailand Limited</b><br>North sales office                   | North Office 86-86/1 Sridonchai Rd., Tambon Chang Khlan, Amphur Muang Chiang Mai, Chiang Mai | Office Space-Rented | Good      | THB 16,000.00                                             | December 31, 2025           | Renewable upon mutual agreement of both parties |
|                                                                                      | South sales office (Phuket)                                                                  | Office Space-Rented | Good      | THB 23,157.90                                             | December 31, 2025           | Renewable upon mutual agreement of both parties |
|                                                                                      | South sales office (Samui)                                                                   | Office Space-Rented | Good      | THB 21,052.63                                             | December 31, 2025           | Renewable upon mutual agreement of both parties |
|                                                                                      | Northeast sales office                                                                       | Office Space-Rented | Good      | THB 11,578.95                                             | December 31, 2025           | Renewable upon mutual agreement of both parties |
|                                                                                      | Pattaya sales office                                                                         | Office Space-Rented | Good      | THB 25,263.16                                             | December 31, 2025           | Renewable upon mutual agreement of both parties |
| <b>San Miguel Brewery Vietnam Company Limited</b><br>San Miguel Brewery Vietnam Ltd. | Quoc Lo 1A, Suoi Hiep , Dien Khanh, Khanh Hoa                                                | Land-Rented         | Good      | VND 44,185,733.00                                         | November 12, 2044           | Renewable upon mutual agreement of both parties |
|                                                                                      | Ho Chi Minh Sales Office                                                                     | Leased              | Good      | USD 8,774.70                                              | March 31, 2027              | Renewable upon mutual agreement of both parties |
|                                                                                      | Da Nang Sales Office                                                                         | Leased              | Good      | VND 28,000,000                                            | October 05, 2026            | Renewable upon mutual agreement of both parties |
|                                                                                      | Nha Trang Sales Office                                                                       | Leased              | Good      | VND 26,000,000                                            | March 31, 2026              | Renewable upon mutual agreement of both parties |
|                                                                                      | Vung Tau Sale Office                                                                         | Leased              | Good      | VND 7,700,000                                             | June 30, 2027               | Renewable upon mutual agreement of both parties |
|                                                                                      | Ho Chi Minh Warehouse                                                                        | Leased              | Fair      | USD 1,280.00 + VND 4,000,000                              | December 31, 2027           | Renewable upon mutual agreement of both parties |
|                                                                                      | Da Nang Warehouse                                                                            | Leased              | Fair      | VND 7,500,000.00                                          | April 24, 2026              | Renewable upon mutual agreement of both parties |
|                                                                                      | Apartment for Mr. Ricky Pulido                                                               | Leased              | Good      | VND 15,500,000                                            | February 18, 2026           | Renewable upon mutual agreement of both parties |
|                                                                                      | Apartment for Mr. Elisito. A. Locaylocay                                                     | Leased              | Good      | VND 18,000,000                                            | May 25, 2026                | Renewable upon mutual agreement of both parties |
|                                                                                      | Apartment for Mr. Yoshiteru Tanaka                                                           | Leased              | Good      | VND 15,000,000                                            | April 20, 2026              | Renewable upon mutual agreement of both parties |
|                                                                                      | Apartment for Mr. Ryan Karlo A. Madamba                                                      | Leased              | Good      | VND 9,500,000                                             | April 30, 2026              | Renewable upon mutual agreement of both parties |
|                                                                                      | Apartment for Mr. Nguyen Ho Hiep                                                             | Leased              | Good      | VND 9,000,000                                             | August 31, 2026             | Renewable upon mutual agreement of both parties |
|                                                                                      |                                                                                              |                     |           |                                                           |                             |                                                 |



| Company Name / Subsidiary                     | Address                                                                                    | Rented / Owned | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated)                                                                                                                             | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                               |
|-----------------------------------------------|--------------------------------------------------------------------------------------------|----------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2 GINEBRA SAN MIGUEL, INC.</b>             |                                                                                            |                |           |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| <b>A. HEAD OFFICE</b>                         |                                                                                            |                |           |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| GSMI Office Space                             | 3rd and 6th Floors SMPC Bldg., St. Francis Ave.,<br>Ortigas Centre, Mandaluyong City       | Owned          | Good      |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| GSMI Office Space                             | 8th, 9th and 10th Floors SMPC Bldg., St. Francis Ave.,<br>Ortigas Centre, Mandaluyong City | Owned          | Good      |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| GSMI Office Space                             | 14th Floor SMPC Bldg., St. Francis Ave., Ortigas<br>Centre, Mandaluyong City               | Owned          | Good      |                                                                                                                                                                                       |                             |                                                                                                                                                             |
|                                               |                                                                                            |                |           |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| <b>B. NORTH LUZON</b>                         |                                                                                            |                |           |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| <b>Plants</b>                                 |                                                                                            |                |           |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| GSMI Sta. Barbara Plant (Land and Facilities) | Tebag West, Sta. Barbara, Pangasinan                                                       | Owned          | Good      |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| EPSBPI Cauayan Plant (Land and Facilities)    | San Fermin, Cauayan, Isabela                                                               | Owned          | Good      |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| <b>Warehouse/Sales Office</b>                 |                                                                                            |                |           |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| GSMI Sta. Barabara Warehouse (Tax Paid)       | Warehouse II Tebag West 2419 Santa Barbara<br>Pangasinan Philippines                       | Owned          | Good      |                                                                                                                                                                                       |                             |                                                                                                                                                             |
| EPSBPI Cauayan Warehouse (Tax Paid)           | Prenza Highway San Fermin 3305 City of Cauayan<br>Isabela Philippines                      | Owned          | Good      | P300,000 (February 01,<br>2025 to December 31,<br>2025)<br>P450,000 (January 01,<br>2026 to December 31,<br>2026)<br>P472,500 (January 01,<br>2027 to December 31,<br>2027)<br>VAT-EX | December 31, 2027           | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties. |
| GSMI Cauayan Sales Office                     | 327 Prenza Highway, San Fermin, Cauayan Isabela                                            | Owned          | Good      | P20,000.00 (VAT-EX)                                                                                                                                                                   | December 31, 2026           | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties. |
| EPSBPI Cauayan Warehouse                      | 327 Prenza Highway, San Fermin, Cauayan Isabela                                            | Owned          | Good      | P492,500.00 (VAT-EX)                                                                                                                                                                  | August 31, 2027             | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties. |
| GSMI La Union Sales Office - Bauang           | R-Hub Bldg. Disso-or 2501 Bauang La Union Philippines                                      | Rented         | Good      | P36,000.00 (VAT-EX)                                                                                                                                                                   | October 31, 2026            | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties. |
| GSMI San Fernando Sales Office                | #162 Balitti 2000 City of San Fernando Pampanga                                            | Rented         | Good      | P475,000.00 (VAT-EX)                                                                                                                                                                  | December 31, 2025           | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties. |

| Company Name / Subsidiary                                | Address                                                                                                  | Rented / Owned | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated)                                                                                                    | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                                                                                                                                        |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GSMI Lunec Warehouse 1                                   | Brgy. Lunec, Malasiqui, Pangasinan                                                                       | Rented         | Good      | P49,500.00 (VAT-EX)                                                                                                                                          | December 31, 2025           | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties.                                                                                                                      |
| <b>Depot</b>                                             |                                                                                                          |                |           |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| GSMI Alcohol Depots #1 and #2                            | Brgy. Namonitan, Sto. Tomas (Damonitis), La Union                                                        | Rented         | Good      | P629,062.50 (VAT-EX)                                                                                                                                         | October 31, 2026            | Renewable by lessee at such terms and conditions mutually acceptable to the parties.                                                                                                                                                                                 |
| <b>Land</b>                                              |                                                                                                          |                |           |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| GSMI Lingayen Property                                   | Libsong East, Lingayen, Pangasinan                                                                       | Owned          | Good      |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| GSMI Olongapo Property                                   | Sta. Rita, Olongapo City, Zambales                                                                       | Owned          | Good      |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| GSMI Minien West Sta. Barbara Property                   | Minien West, Sta. Barbara, Pangasinan                                                                    | Owned          | Good      |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| GMSI Matimatic Sta. Barbara Property                     | Matimatic, Sta. Barbara, Pangasinan                                                                      | Owned          | Good      |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| EPSBPI San Fermin Cauyan Isabela (TCT No.035-2023001634) | San Fermin, Cauyan, Isabela                                                                              | Owned          | Good      |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| EPSBPI San Fermin Cauyan Isabela (TCT No.035-2022007225) | San Fermin, Cauyan, Isabela                                                                              | Owned          | Good      |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| GSMI Cauayan City Property (Ongoing Transfer from NVRC)  | San Fermin, Cauyan, Isabela                                                                              | Owned          | Good      |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| <b>C. GMA</b>                                            |                                                                                                          |                |           |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| <b>Land</b>                                              |                                                                                                          |                |           |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| GSMI Pandacan Sales Office_Land                          | 631 Tomas Claudio St. Zone 93 Barangay 865 1011 Pandacan NCR, City of Manila, First District Philippines | Rented         | Good      | P344,172.00 (VAT-EX)                                                                                                                                         | July 31, 2026               | Either Party may serve a written request for the renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease |
| <b>Warehouse/Sales Office</b>                            |                                                                                                          |                |           |                                                                                                                                                              |                             |                                                                                                                                                                                                                                                                      |
| GSMI Pandacan Sales Office_Facility                      | 631 Tomas Claudio St. Zone 93 Barangay 865 1011 Pandacan NCR, City of Manila, First District Philippines | Rented         | Good      | P305,134.50 (VAT-EX)                                                                                                                                         | July 31, 2026               | Either Party may serve a written request for the renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease |
| GSMI Maybunga Pasig City Sales Office                    | 403 F. Legaspi St. Maybunga 1607 City of Pasig NCR, Second District Philippines                          | Rented         | Good      | P334,860.35 (August 01, 2024 to July 31, 2025)<br>P348,254.76 (August 01, 2025 to July 31, 2026)<br>P362,184.95 (August 01, 2026 to July 31, 2027)<br>VAT-EX | July 31, 2027               | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties.                                                                                                                      |

| Company Name / Subsidiary                                        | Address                                                                                                                             | Rented / Owned                   | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated)                                                                                                           | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                                                                                                                                        |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CREI NAI/A Terminal 3 Branch                                     | Unit 13 Level 1 All Filipino Food Hall Arrival Lobby NAI/A Terminal 3 Barangay 183 1300 Pasay City NCR, Fourth District Philippines | Rented                           | Good      | P39,600.00 (VAT-EX)                                                                                                                                                 | November 09, 2028           | Renewable upon mutual agreement of both parties                                                                                                                                                                                                                      |
| <b>D. SOUTH LUZON</b>                                            |                                                                                                                                     |                                  |           |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| <b>Plants</b>                                                    |                                                                                                                                     |                                  |           |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| EPSBPI Ligao Plant (Land and Facilities)                         | Km 503, Hacienda Mitra, Paulog, Ligao City, Albay                                                                                   | Owned                            | Good      |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| GSMI Cabuyao Plant (Land and Facilities)                         | Silangan Industrial Estate, Brgy. Pittland, Terelay Phase, Cabuyao, Laguna                                                          | Owned                            | Good      |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| <b>Warehouse/Sales Office</b>                                    |                                                                                                                                     |                                  |           |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| GSMI Lucena Warehouse and Storage Facility (Land and Facilities) | Bgy. Gulang-gulang, Lucena City, Quezon                                                                                             | Owned                            | Good      |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| GSMI Ligao Sales Office                                          | Km. 503, Hacienda Mitra, Brgy. Paulog, Ligao City, Albay 4504                                                                       | Owned                            | Good      | P13,500.00 (VAT-EX)                                                                                                                                                 | December 31, 2025           | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties.                                                                                                                      |
| EPSBPI Ligao Warehouse Extension                                 | Km. 503, Hacienda Mitra, Brgy. Paulog, Ligao City, Albay 4504                                                                       | Owned                            | Good      | P187,200.00 (VAT-EX)                                                                                                                                                | January 31, 2026            | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties.                                                                                                                      |
| GSMI Cabuyao Warehouse (Tax Paid)                                | Telerey Phase Canlubang Industrial Estate Pittland 4025 City of Cabuyao Laguna Philippines                                          | Owned                            | Good      |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| EPSBPI Ligao Warehouse (Tax Paid)                                | Hacienda Mitra Paulog 4504 City of Ligao Albay Philippines                                                                          | Owned                            | Good      | P300,000 (February 01, 2025 to December 31, 2025)<br>P450,000 (January 01, 2026 to December 31, 2026)<br>P472,500 (January 01, 2027 to December 31, 2027)<br>VAT-EX | December 31, 2027           | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties.                                                                                                                      |
| GSMI Lucena Sales Office                                         | Sales Office Building National Rd. Gulang-Gulang 4301 Lucena City (Capital) Quezon Philippines                                      | Owned                            | Good      |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| <b>Depot</b>                                                     |                                                                                                                                     |                                  |           |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| GSMI Cotta Depot                                                 | Francisco Ferdinand St., Teacher's Village, Bgy. Cotta, Lucena City                                                                 | Owned                            | Good      |                                                                                                                                                                     |                             |                                                                                                                                                                                                                                                                      |
| GSMI Tabangao Depot (Land and Tanks)                             | Bgy. Tabangao, Aplaya, Batangas City                                                                                                | Rented - Land /<br>Owned - Tanks | Good      | P82,490.96 (VAT EX)                                                                                                                                                 | December 31, 2030           | Either Party may serve a written request for the renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease |

| Company Name / Subsidiary                                           | Address                                                                           | Rented / Owned | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                   |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------|-----------|-----------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| GSMI Bauan Depot                                                    | San Pedro 4201 Bauan Batangas Philippines                                         | Owned          | Good      |                                                           |                             |                                                                                                                                                 |
| <b>Land</b>                                                         |                                                                                   |                |           |                                                           |                             |                                                                                                                                                 |
| GSMI Bauan Batangas                                                 | San Pedro 4201 Bauan Batangas Philippines                                         | Owned          | Good      |                                                           |                             |                                                                                                                                                 |
|                                                                     |                                                                                   |                |           |                                                           |                             |                                                                                                                                                 |
|                                                                     |                                                                                   |                |           |                                                           |                             |                                                                                                                                                 |
| <b>E. VISAYAS</b>                                                   |                                                                                   |                |           |                                                           |                             |                                                                                                                                                 |
| <b>Plants</b>                                                       |                                                                                   |                |           |                                                           |                             |                                                                                                                                                 |
| GSMI Mandaue Plant (Land and Facilities)                            | Subangdaku, Mandaue City, Cebu                                                    | Owned          | Good      |                                                           |                             |                                                                                                                                                 |
| DBI Alcohol Distillery (Land and Facilities)                        | Km 13.5, Brgy. Taloc, Bago City, Negros Occidental                                | Owned          | Good      |                                                           |                             |                                                                                                                                                 |
| DBI Deepwell Sites (Land and Facilities)                            | Brgy. Taloc, Bago City, Negros Occidental                                         | Owned          | Good      |                                                           |                             |                                                                                                                                                 |
| Distilleria Bago, Inc. (Aged Alcohol<br>Warehousing and Management) | Brgy. Taloc, Bago City, Negros Occidental                                         | Owned          | Good      |                                                           |                             |                                                                                                                                                 |
|                                                                     |                                                                                   |                |           |                                                           |                             |                                                                                                                                                 |
| <b>Warehouse/Sales Office</b>                                       |                                                                                   |                |           |                                                           |                             |                                                                                                                                                 |
| GSMI Bago City Sales Office                                         | Km 13.5, Brgy. Taloc, Bago City, Negros Occidental                                | Owned          | Good      |                                                           |                             |                                                                                                                                                 |
| GSMI Tacloban Sales Office                                          | Purok 1 Brgy. 91 Maharlika Highway, Abucay Tacloban City                          | Rented         | Good      | P37,321.43 (VAT-EX)                                       | October 31, 2026            | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties. |
| GSMI Iloilo Sales Office                                            | Pakiad Road, Brgy. Calajunan, Mandurriao, Iloilo City.                            | Rented         | Good      | P238,914.00 (VAT-EX)                                      | May 15, 2027                | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties. |
| GSMI Northern Samar Sales Office                                    | Sitio Cabicalan Londres Allen, Northern Samar                                     | Rented         | Good      | P50,000.00 (VAT-EX)                                       | August 31, 2026             | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties. |
| GSMI Mandaue City Warehouse                                         | Mandaue Port, J. Cenniza St., Looc Mandaue City, Cebu                             | Rented         | Good      | P400,000.00 (VAT-EX)                                      | June 30, 2026               | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties. |
| GSMI Escalante City Sales Office                                    | Purok Makiangyon Alimango 6124 City of Escalante<br>Negros Occidental Philippines | Rented         | Good      | P40,000.00 (VAT-EX)                                       | March 15, 2026              | Subject to renewal or extension upon expiration of such period on such terms and conditions as may mutually be agreed upon between the parties. |

| Company Name / Subsidiary                 | Address                                                                                  | Rented / Owned | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated)                                                                        | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                                |
|-------------------------------------------|------------------------------------------------------------------------------------------|----------------|-----------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GSMI Roxas City Sales Office              | Calipayan Road Punta Tabuc 5800 City of Roxas Capiz<br>Philippines                       | Rented         | Good      | P70,000.00 (VAT-EX)                                                                                                              | June 15, 2027               | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties.  |
|                                           |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| <b>Depot</b>                              |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| GSMI Ouano Alcohol Depot (Tank)           | Ouano, Mandaue City                                                                      | Owned          | Good      |                                                                                                                                  |                             |                                                                                                                                                              |
| <b>Land</b>                               |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| DBI Relocation Site                       | Brgy. Calumangan, Bago City, Negros Occidental                                           | Owned          | Good      |                                                                                                                                  |                             |                                                                                                                                                              |
| DBI (160sq.m new acquisition)             | Brgy. Taloc, Bago City, Negros Occidental                                                | Owned          | Good      |                                                                                                                                  |                             |                                                                                                                                                              |
| GSMI Bago Plant (Land)                    | Brgy. Calumangan, Bago City, Negros Occidental                                           | Owned          | Good      |                                                                                                                                  |                             |                                                                                                                                                              |
| GSMI LooC Land (Depot)                    | Mandaue Port, J. Cerniza St., LooC Mandaue City                                          | Rented         | Good      | P112,539.89 (VAT-EX)                                                                                                             | December 31, 2025           | Subject to renewal or extension<br>upon expiration of such period<br>and under such terms and<br>conditions as may be mutually<br>acceptable to the parties. |
|                                           |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| <b>F. MINDANAO</b>                        |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| <b>Warehouse/Sales Office</b>             |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| GSMI Davao Warehouse and Sales Office     | Brgy. Talomo, Ulas, Davao City                                                           | Rented         | Good      | P63,691.25 (VAT-EX)                                                                                                              | May 31, 2027                | Renewable upon mutual<br>agreement of both parties                                                                                                           |
| GSMI Pagadian Administrative Sales Office | Rizal Avenue Purok Nangka Tuburan 7016 City of<br>Pagadian Zamboanga del Sur Philippines | Rented         | Good      | P25,000.00 (VAT-EX)                                                                                                              | August 31, 2027             | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties.  |
|                                           |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| GSMI Cagayan de Oro Sales Office          | Limac Warehouse Diversion Road Bulua Zone 8 9000<br>Cagayan De Oro City                  | Rented         | Good      | P120,912.00 VAT-EX                                                                                                               | April 30, 2026              | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties.  |
|                                           |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| GSMI Polomolok Sales Office               | Door 10 BTY and Sons Dev. Corp Glamang 9504<br>Polomolok South Cotobato Philippines      | Rented         | Good      | P105,000.00 (September<br>01, 2024 to August 31,<br>2027)<br>P115,500.00 (September<br>01, 2027 to August 31,<br>2029)<br>VAT-EX | August 31, 2029             | Subject to renewal or extension<br>upon expiration of such period<br>on such terms and conditions<br>as may mutually be agreed<br>upon between the parties.  |
|                                           |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |
| GSMI Maigo Sales Office                   | Purok 5 Poblacion 9206 Maigo Lanao Del Norte<br>Philippines                              | Rented         | Good      | P100,000.00 (VAT-EX)                                                                                                             | October 31, 2030            | Renewable upon mutual<br>agreement of both parties                                                                                                           |
|                                           |                                                                                          |                |           |                                                                                                                                  |                             |                                                                                                                                                              |

| Company Name / Subsidiary                                                                                                                                                           | Address                                                                   | Rented / Owned | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------|-----------|-----------------------------------------------------------|-----------------------------|-------------------------------------------------|
| <b>3 FOOD GROUP</b>                                                                                                                                                                 |                                                                           |                |           |                                                           |                             |                                                 |
| C5 Pasig Office - SMFB, San Miguel Foods, Inc., PHC, Magnolia, Coffee, San Miguel Mills, Inc.                                                                                       | #100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604       | RENTED         | Good      | Jan-Jun: 9,151,260.81;<br>Jul-Dec: 9,405,599.30           | June 16, 2029               | Renewable upon mutual agreement of both parties |
| <b>SAN MIGUEL FOODS, INC. and SUBS</b>                                                                                                                                              |                                                                           |                |           |                                                           |                             |                                                 |
| <b>Admin Office/Sales Office</b>                                                                                                                                                    |                                                                           |                |           |                                                           |                             |                                                 |
| Iloilo Office - Agro Industrial Cluster (AIC)                                                                                                                                       | Meliza St., Iloilo City                                                   | Owned          | Good      |                                                           |                             |                                                 |
| Davao Region Office - Agro Industrial Cluster (AIC)                                                                                                                                 | 2F, MPPP DavSur 2, Sitio Rambutan, Brgy. Darong, Sta. Cruz, Davao del Sur | Owned          | Good      |                                                           |                             |                                                 |
| NMIN Region Office (SMFI - AIC)                                                                                                                                                     | SMFI B-MEG Plant Mis.Or.2 Zone 4 Brgy.Gracia Tagoloan Mis.Or.             | Owned          | Good      |                                                           |                             |                                                 |
| Sta. Rosa Poultry Office (SMFI - Feeds, SMFI - AIC)                                                                                                                                 | Sta. Rosa Complex, Bo. Pulong Sta. Cruz, Sta. Rosa, Laguna                | Owned          | Good      |                                                           |                             |                                                 |
| <b>Admin Office and Feedmill/Processing Plant/P</b>                                                                                                                                 | <b>Product Development Laboratory/Warehouse</b>                           |                |           |                                                           |                             |                                                 |
| Tarlac Office, Feedmill and Warehouse - Feeds                                                                                                                                       | Luisita Industrial Park, San Miguel, Tarlac City                          | Owned          | Good      |                                                           |                             |                                                 |
| Bataan Feedmills and Warehouse - Feeds                                                                                                                                              | Mindanao Avenue, Corner 10th Ave. BEZ, Mariveles, Bataan City             | Owned          | Good      |                                                           |                             |                                                 |
| Pasig Office and Product Development Laboratory (Building only)- SMFI-Corporate                                                                                                     | SMFG Compound., Legaspi cor. Eagle St., Ugong, Pasig City                 | Owned          | Good      |                                                           |                             |                                                 |
| Isabela Feedmill and Warehouse - Feeds                                                                                                                                              | Bo. Soyung, Echague, Isabela City                                         | Owned          | Good      |                                                           |                             |                                                 |
| Bulacan Feedmill and Warehouse (San Ildefonso) - Feeds                                                                                                                              | Brgy. Malipampang San Ildefonso, Bulacan                                  | Owned          | Good      |                                                           |                             |                                                 |
| Pangasinan Feedmill, Office and Laboratory - SMFI - Feeds                                                                                                                           | Brgy. Bued, Binalonan, Pangasinan City                                    | Owned          | Good      |                                                           |                             |                                                 |
| Admin Office and Magnolia Poultry Processing Plant - SMFI - Poultry                                                                                                                 | SMC Complex, Queblawan, San Fernando, Pampanga                            | Owned          | Good      |                                                           |                             |                                                 |
| Camarines Sur Office - SMFI - AIC; Office, Quality Assurance Office, Magnolia Poultry Processing Plant, Cold Storage and Holding Room - SMFI - Poultry; Cold Storage - SMFI - Meats | Sta. Rita Industrial Estate, Sagurong, Pili, Camarines Sur                | Owned          | Good      |                                                           |                             |                                                 |
| Isabela Sales Office and BMEG Isabela Plant - SMFI - Poultry                                                                                                                        | Soyung, Echague, Isabela                                                  | Owned          | Good      |                                                           |                             |                                                 |
| General Santos Admin Office and Vetmed Hub - SMFI - Poultry                                                                                                                         | Puttingbato, Calumpang, Gen. Santos City                                  | Owned          | Good      |                                                           |                             |                                                 |
| <b>Farm/Hatchery</b>                                                                                                                                                                |                                                                           |                |           |                                                           |                             |                                                 |
| Isabela Cattle Farm - Meats                                                                                                                                                         | 3305 San Luis, Cauayan, Isabela City                                      | Owned          | Good      |                                                           |                             |                                                 |
| Calamba Hatchery - SMFI-Poultry                                                                                                                                                     | Brgy.Licheria, Calamba City                                               | Owned          | Good      |                                                           |                             |                                                 |
| Bataan Farm Breeding and Hatchery - SMFI-Poultry                                                                                                                                    | Brgy. General Lim, Orion, Bataan                                          | Owned          | Good      |                                                           |                             |                                                 |
| Bukidnon Hatchery - SMFI-Poultry                                                                                                                                                    | Kapitan Bayong, Impasug-ong, Bukidnon City                                | Owned          | Good      |                                                           |                             |                                                 |
| Laguna Cattle Farm and RandD - SMFI - Meats: Office - SMFI - AIC                                                                                                                    | Brgy. Mabacan, Calauan, Laguna                                            | Owned          | Good      |                                                           |                             |                                                 |
| Camarines Sur Magnolia Poultry Hatchery - SMFI - Poultry, SMFI - AIC                                                                                                                | Brgy. San Juan, Baao, Camarines Sur                                       | Owned          | Good      |                                                           |                             |                                                 |
| Magnolia Poultry Farm Davao Del Sur - SMFI - Poultry                                                                                                                                | Brgy.Hagonoy Crossing, Hagonoy, Davao Del Sur                             | Owned          | Good      |                                                           |                             |                                                 |
| <b>Flourmill/Feedmill and Warehouse</b>                                                                                                                                             |                                                                           |                |           |                                                           |                             |                                                 |
| Iloilo Feedmill - Feeds                                                                                                                                                             | Brgy. Gua-an, Leganes, Iloilo                                             | Owned          | Good      |                                                           |                             |                                                 |
| Bukidnon Feedmill - Feeds                                                                                                                                                           | Impalutao, Impasug-ong, Bukidnon City                                     | Owned          | Good      |                                                           |                             |                                                 |
| Davao Feedmill, Warehouse, Grain Terminal- Feeds                                                                                                                                    | Sitio Landing, Brgy. Darong , Sta. Cruz, Davao Del Sur                    | Owned          | Good      |                                                           |                             |                                                 |
| Pavia Iloilo Feedmill - SMFI - Feeds                                                                                                                                                | Brgy. Mali-ao Pavia, Iloilo                                               | Owned          | Good      |                                                           |                             |                                                 |

| Company Name / Subsidiary                                                         | Address                                                                 | Rented / Owned | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated)                 | Expiry of Lease<br>Contract                                                   | Terms of Renewal /<br>Options                   |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------|-----------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------|
| Ormoc Feedmill - SMFI - Feeds                                                     | Brgy. Macabug, Ormoc City                                               | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Misamis Oriental Feedmill and Warehouse - SMFI - Feeds                            | Brgy. Gracia, Sitio Kivulda, Phividec, Tagoloan, Misamis Oriental       | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Mandaue Feedmill - SMFI - Feeds                                                   | JL Ceniza St., Brgy. Looc, Mandaue City                                 | Owned          | Good      |                                                                           |                                                                               |                                                 |
| <b>Land</b>                                                                       |                                                                         |                |           |                                                                           |                                                                               |                                                 |
| Bulacan Land - SMFI Feeds                                                         | Malipampang, San Ildefonso, Bulacan                                     | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Isabela Land - Feeds                                                              | Bo. Soyung, Echague, Isabela City                                       | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Iloilo Land - SMFI - Feeds                                                        | Brgy. Gua-an, Leganes, Iloilo                                           | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Davao Land - SMFI - Feeds                                                         | Darong, Sta. Cruz, Davao                                                | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Catbalogan Property (Land and Building) - SMFI-San Miguel Integrated Sales (SMIS) | Brgy. 048 Payao, Catbalogan City, Samar                                 | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Pangasinan Feedmill (Land only) - SMFI-Feeds                                      | Brgy. Bued, Binalonan, Pangasinan                                       | Rented         | Good      | 411,265.60                                                                | December 31, 2041                                                             | 5% Esc. Rate per year                           |
| Bulacan Feedmill (Land Only) - SMFI-Feeds                                         | Brgy. Malipampang San Ildefonso, Bulacan                                | Rented         | Good      | 1,247,980.00                                                              | 31-Dec-2031                                                                   | Renewable every 10 years                        |
| Davao Land - SMFI-Feeds                                                           | Sitio Landing, Brgy. Darong , Sta. Cruz, Davao Del Sur                  | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Bataan Breeding Farm (Land only) - SMFI-Poultry                                   | Brgy. General Lim, Orion, Bataan                                        | Rented         | Good      | 293,976.59                                                                | 31-Dec-2026                                                                   | Renewable at the end of contract date           |
| Ready-to-Eat Plant (Land Only) - SMFI-Great Food Solutions (GFS)                  | Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna | Rented         | Good      | 1,310,891.10                                                              | 31-Dec-2027                                                                   | Renewable upon mutual agreement of both parties |
| Pasig Office (Land Only) - SMFI-Corporate                                         | SMFG Compound, Legaspi cor. Eagle St., Ugong, Pasig                     | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Bataan Hatchery Farm (Land only)- SMFI-Poultry                                    | Brgy. General Lim, Orion, Bataan                                        | Rented         | Good      | 99,820.00                                                                 | 31-Jan-2034                                                                   | Contract still for routing                      |
| Bataan Feedmill (Land only) - SMFI-Feeds                                          | Mindanao Avenue, Corner 10th Ave. BEZ, Mariveles, Bataan                | Rented         | Good      | 1,459,250 (Plant 1)<br>867,642 (Plant 2)<br>962,064 (Extension warehouse) | December 31, 2054 - Plant 1<br>March 31, 2041 - Plant 2 & Extension Warehouse | Renewable upon mutual agreement of both parties |
| Sariaya Various Land Properties - San Miguel Foods South Luzon, Inc. (SMFSLI)     | Brgy. Guisguis, San Roque, Sariaya, Quezon                              | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Sariaya Various Land Properties - San Miguel Foods South Luzon, Inc. (SMFSLI)     | Brgy. Castanas, Sariaya, Quezon                                         | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Balayan Various Land Properties - San Miguel Foods South Luzon, Inc. (SMFSLI)     | Brgy. San Piro, Balayan Batangas                                        | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Balayan Various Land Properties - San Miguel Foods South Luzon, Inc. (SMFSLI)     | Brgy. Santol, Balayan, Batangas                                         | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Balayan Various Land Properties - San Miguel Foods South Luzon, Inc. (SMFSLI)     | Brgy. Dalig, Balayan Batangas                                           | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Hagonoy Land - San Miguel Foods Mindanao, Inc. (SMFMI)                            | Guiling, Hagonoy, Davao Del Sur                                         | Owned          | Good      |                                                                           |                                                                               |                                                 |
| <b>Processing Plant</b>                                                           |                                                                         |                |           |                                                                           |                                                                               |                                                 |
| Davao Processing Plant 2- SMFI - Poultry                                          | Sitio Rambutan, Brgy. Darong, Sta. Cruz, Davao del Sur                  | Owned          | Good      |                                                                           |                                                                               |                                                 |
| San Fernando Processing Plant - SMFI - Feeds                                      | SMC Complex, Quebiawan, San Fernando, Pampanga                          | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Magnolia Poultry Processing Plant Pagbilao - SMFI - Poultry                       | Pagbilao, Quezon                                                        | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Magnolia Poultry Processing Plant Leyte - SMFI-Poultry                            | Brgy. Antipolo, Albura, Leyte                                           | Owned          | Good      |                                                                           |                                                                               |                                                 |
| Magnolia Poultry Processing Plant Pagbilao (Land only) - SMFI-Poultry             | Pagbilao, Quezon                                                        | Owned          | Good      |                                                                           |                                                                               |                                                 |

| Company Name / Subsidiary                                                            | Address                                                                                   | Rented / Owned | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated)                                            | Expiry of Lease<br>Contract                                                    | Terms of Renewal /<br>Options                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------|-----------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Puerto Princesa Dressing Plant - SMFI-Poultry                                        | Brgy. Tagburos, Puerto Princesa                                                           | Rented         | Good      | 22,400.00                                                                                            | December 31, 2025                                                              | Renewable every two years                                                                                                                                                                                     |
| Lucena Processing Plant - SMFI-Poultry                                               | Brgy. Bocohan, Lucena                                                                     | Rented         | Good      | 1,534,600.00                                                                                         | December 31, 2025                                                              | Renewable every year                                                                                                                                                                                          |
| Isabela Processing Plant and Laboratory - SMFI-Poultry                               | Garit Sur, Echague Isabela                                                                | Rented         | Good      | 3,554,406 (Cold Storage and Holding room)<br>40,765.18(Laboratory)                                   | March 15, 2027                                                                 | Renewable every three years                                                                                                                                                                                   |
| Rizal Processing Plant - SMFI-Poultry                                                | #1 Sitio Kapatagan, Brgy. Pinugay, Baras, Rizal                                           | Rented         | Good      | 327,431.86                                                                                           | December 31, 2025                                                              | Renewable every year                                                                                                                                                                                          |
| Batangas Processing Plant - SMFI-Poultry                                             | Brgy.Aya, San Jose, Batangas                                                              | Rented         | Good      | 3,352,820.80                                                                                         | December 31, 2025                                                              | Renewable upon mutual agreement of both parties.                                                                                                                                                              |
| South Cotabato Processing Plant - SMFI-Meats                                         | Purok 3, Brgy. Glamang, Polomolok, South Cotabato                                         | Rented         | Good      | 45,000.00                                                                                            | August 31, 2025                                                                | Renewable upon mutual agreement of both parties.                                                                                                                                                              |
| Tacloban Processing Plant - SMFI-Poultry                                             | Brgy. 69 Anibong, Tacloban City                                                           | Rented         | Good      | 132,000.00                                                                                           | December 31, 2025                                                              | Renewable upon mutual agreement of both parties.                                                                                                                                                              |
| <b>Processing Plant and Cold Storage</b>                                             |                                                                                           |                |           |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| Mandaue Poultry Processing Plant and Cold Storage - SMFI-Poultry                     | Riverside, Canduman, Mandaue City                                                         | Owned          | Good      |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| Sta. Rosa Cold Storage - SMFI - Meat                                                 | LNPI Compound Sta. Rosa Industrial Complex, Pulong Sta. Cruz, City of Sta. Rosa, Laguna   | Owned          | Good      |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| <b>Warehouse</b>                                                                     |                                                                                           |                |           |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| Sta. Rosa Warehouse (Building Only) - SMFI-San Miguel Integrated Sales (SMIS)        | Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa City, Laguna              | Owned          | Good      |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| Sta. Rosa Warehouse (Land Only) - SMFI-San Miguel Integrated Sales (SMIS)            | Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa City, Laguna              | Owned          | Good      |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| Iloilo Office - SMFI-San Miguel Integrated Sales (SMIS)                              | Orbe St., Brgy. Baybay Norte, Miag-ao, Iloilo                                             | Rented         | Good      | 8,928.57                                                                                             | June 30, 2028                                                                  | Renewable upon mutual agreement of both parties.                                                                                                                                                              |
| <b>Admin Office</b>                                                                  |                                                                                           |                |           |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| Zamboanga Office - Agro Industrial Cluster (AIC)                                     | Don Alfonso Marquez Subd., MCLL Highway Tetuan Zamboanga City                             | Rented         | Good      | 38,783.15                                                                                            | December 31, 2025                                                              | Renewable every three years                                                                                                                                                                                   |
| Bukidnon Office - Agro Industrial Cluster (AIC)                                      | Propia St., Malaybalay, Bukidnon                                                          | Rented         | Good      | 173,250.00                                                                                           | December 31, 2027                                                              | Renewable every two years                                                                                                                                                                                     |
| Dumaguete Office - Agro Industrial Cluster (AIC)                                     | Unit 1-C, JC Building, Ipil Road, Brgy. Daro, Dumaguete City                              | Rented         | Good      | 40,202.87                                                                                            | October 30, 2027                                                               | Renewable every three years                                                                                                                                                                                   |
| Bacolod Office - Agro Industrial Cluster (AIC)                                       | NFCC Cybercentre Complex, Lacson Cr. Hernaez St., Bacolod City                            | Rented         | Good      | 334,530.00                                                                                           | December 31, 2025                                                              | One year (under tacit renewal until new rate is approved by Negros Sangguniang Panlalawigan)                                                                                                                  |
| Tacloban Office - Agro Industrial Cluster (AIC)                                      | Unit 12, 2nd Floor Bldg. B, Metrobank Center, Juan Luna St., Brgy. Poblacion, Palo, Leyte | Rented         | Good      | 59,588.98                                                                                            | October 21, 2028                                                               | Renewable every five years                                                                                                                                                                                    |
| Central Luzon Office - Agro Industrial Cluster (AIC)                                 | SMFPC Region Office, SMC Complex, Quebiawan, San Fernando, Pampanga                       | Rented         | Good      | 393,746.00                                                                                           |                                                                                |                                                                                                                                                                                                               |
| <b>Admin Office and Cold Storage/Processing Plant/Warehouse</b>                      |                                                                                           |                |           |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| Commissary Warehouse/Storage - SMFI-GFS/RTE                                          | Sta Rosa Industrial Complex, Pulong Sta Cruz, Sta. Rosa Laguna                            | Owned          | Good      |                                                                                                      |                                                                                |                                                                                                                                                                                                               |
| Butuan Office and Cold Storage - SMFI-Agro Industrial Cluster (AIC) and SMFI-Poultry | Km 9, Tag-ibo, Butuan City                                                                | Rented         | Good      | 11,127.16 (Office)<br>449,450 (Processing Plant)<br>308,779 (Cold Storage)<br>190,280 (Holding Room) | December 31, 2025 (Office - AIC)<br>December 31, 2025 (Cold Storage - Poultry) | Negotiations for the renewal shall commence six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry |



| Company Name / Subsidiary                                                                        | Address                                                           | Rented / Owned | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated)                                               | Expiry of Lease<br>Contract                             | Terms of Renewal /<br>Options                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------|-----------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Misamis Occidental Office and Cold Storage - SMFI-Agro Industrial Cluster (AIC) and SMFI-Poultry | Mailen, Clarin, Misamis Occidental                                | Rented         | Good      | 133,917 (Cold Storage)<br>251,818 (Holding room)<br>14,946.00 (Office)                                  | December 31, 2025                                       | Office - Renewable every three years.<br><br>Cold Storage and Holding Room - Renewable six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry. |
| Mandaue Admin Office, Warehouse and Cold Storage - SMFI - Poultry                                | Lot 2459-B1 and B2 Batiller Street, Barangay Umapad, Mandaue City | Rented         | Good      | 654,740.00                                                                                              | Continuing unless terminated and agreed by both parties | Under renewal process                                                                                                                                                                                                                                     |
| JM1 Farm - SMFI - Meats                                                                          | Brgy. Kalasungay, Malaybalay City                                 | Rented         | Good      | 650,000.00                                                                                              | December 31, 2025                                       | Renewable every three years                                                                                                                                                                                                                               |
| <b>Cold Storage</b>                                                                              |                                                                   |                |           |                                                                                                         |                                                         |                                                                                                                                                                                                                                                           |
| Misamis Oriental Cold Storage - SMFI-Meats                                                       | Sta. Ana, Tagoloan, Misamis Oriental                              | Rented         | Good      | 118,552.00                                                                                              | September 30, 2025                                      | Renewed upon the expiry of its contract term for the like period(s) under the same terms and conditions, except as may be otherwise agreed by the parties in writing                                                                                      |
| Palawan Cold Storage - SMFI-Poultry                                                              | Abara Road, Brgy. San Pedro, Puerto Princesa City, Palawan        | Rented         | Good      | 388,080.00                                                                                              | December 31, 2025                                       | Renewal every year                                                                                                                                                                                                                                        |
| <b>Cold Storage and Blast Freezing Facility/Holding Room</b>                                     |                                                                   |                |           |                                                                                                         |                                                         |                                                                                                                                                                                                                                                           |
| Bulacan Cold Storage and Holding Room - SMFI-Poultry                                             | #95 Landicho St., Brgy. Balasing, Sta. Maria, Bulacan             | Rented         | Good      | 183,496 (Cold Storage)<br>187,289 (Holding room)                                                        | May 31, 2028                                            | Renewable every three years                                                                                                                                                                                                                               |
| Bulacan Cold Storage, Holding Room and Laboratory and Liquidator's Office- SMFI - Poultry        | Brgy. Caysio, Sta. Maria, Bulacan                                 | Rented         | Good      | 2,851,878 (Cold Storage)<br>1,412,502 (Holding Room)<br>59,797 (Laboratory)<br>9,750 (Office)           | February 28, 2028                                       | Renewable every three years                                                                                                                                                                                                                               |
| La Union Cold Storage, Holding Room and Laboratory - SMFI-Poultry                                | Brgy. Rabon, Rosario, La Union 2506                               | Rented         | Good      | 2,200,767 (Cold Storage and Holding Room)<br>72,081.00 (Laboratory)                                     | September 30, 2026                                      | Renewable every three years                                                                                                                                                                                                                               |
| Bataan Cold Storage and Holding Room - SMFI-Poultry                                              | Brgy. Tumalo, Hermosa, Bataan                                     | Rented         | Good      | 2,914,524 (Cold Storage)<br>1,342,955.00 (Holding Room)                                                 | December 31, 2027                                       | Renewable every three years                                                                                                                                                                                                                               |
| Nueva Ecija Cold Storage, Holding Room and Laboratory - SMFI - Poultry                           | Km104, Brgy. Tabuating, San Leonardo, Nueva Ecija                 | Rented         | Good      | 37,556.25 (Laboratory)<br>693,070 (Cold Storage)<br>914,660.00 (Holding Room)<br>28,570.00 (Laboratory) | March 08, 2027                                          | Renewable every three years                                                                                                                                                                                                                               |
| Negros Occidental Processing Plant and Cold Storage and Laboratory - SMFI-Poultry                | Hda Binunga, Brgy. Guinhalaran, Silay City, Negros Occidental     | Rented         | Good      | 395,541.76 (Processing Plant)<br>1,804,330 (Cold Storage)                                               | December 31, 2027                                       | Renewable upon mutual agreement of both parties.                                                                                                                                                                                                          |
| El Salvador Processing Plant; Cold Storage; Holding Room - SMFI Poultry                          | Upper Linabo, Brgy. Cogon, El Salvador City                       | Rented         | Good      | 1,907,843 (Cold Storage)<br>407,819 (Holding room)                                                      | March 3, 2026                                           | Six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry                                                                                         |

| Company Name / Subsidiary                                                                                                          | Address                                                                                                                            | Rented / Owned | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|-----------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pampanga Cold Storage, Holding Room and Laboratory - SMFI - SMFI-Poultry                                                           | Brgy. Camuning Acli, Mexico Pampanga                                                                                               | Rented         | Good      | 1,178,074 (Cold Storage)<br>736,994 (Holding Room)        | June 15,2026                | Renewable every year                                                                                                                                                                                                                                             |
| Pangasinan Cold Storage, and Holding Room                                                                                          | Brgy. Mabilao, San Fabian, Pangasinan                                                                                              | Rented         | Good      | 1,051,214 (Cold Storage)                                  | February 28,2026            | Renewable every year                                                                                                                                                                                                                                             |
| Polar Bear Cold Storage and Laboratory - SMFI-Poultry                                                                              | Stra Ascion, San Jose, Negros Oriental & BolocBoloc, Sibulan, Negros Oriental                                                      | Rented         | Good      | 4,183,800 (Cold Storage)<br>68,170 (Laboratory)           | October 31, 2027            | Renewable every two years                                                                                                                                                                                                                                        |
| <b>Warehouse</b>                                                                                                                   |                                                                                                                                    |                |           |                                                           |                             |                                                                                                                                                                                                                                                                  |
| SMCSL-Managed Warehouses - SMFI - Feeds                                                                                            | Manila; Bataan; Batangas; Camarines Sur; Cebu; Iloilo; Bacolod; Cagayan de Oro; Ozamiz; Bukidnon; General Santos; Zamboanga; Davao | Rented         | Good      | 37,223,410.00                                             | December 31, 2026           | Renewable upon mutual agreement of both parties.                                                                                                                                                                                                                 |
| D Meter-Managed Warehouses - SMFI-Feeds                                                                                            | Cristo Rey Capas, Tarlac 2315; 15 Victoria Hills St. Buntad, Project 7, Quezon City, Metro Manila                                  | Rented         | Good      | 631,282.50                                                | December 31, 2026           | Renewable upon mutual agreement of both parties.                                                                                                                                                                                                                 |
| Tarlac Warehouse - SMFI-Feeds                                                                                                      | Mabini, Moncada, Tarlac                                                                                                            | Rented         | Good      | 219,184.00                                                | December 31, 2025           | Renewable every year                                                                                                                                                                                                                                             |
| Pangasinan Warehouse - SMFI-Feeds                                                                                                  | Brgy. Barraca, Villasis, Pangasinan                                                                                                | Rented         | Good      | 546,000.00                                                | March 15, 2026              | Renewable every year                                                                                                                                                                                                                                             |
| Pangasinan Warehouse - SMFI-Feeds                                                                                                  | Urdaneta, Pangasinan                                                                                                               | Rented         | Good      | 789,600.00                                                | December 31, 2025           | End of contract Sept 30, 2025                                                                                                                                                                                                                                    |
| Camarines Sur Warehouse - SMFI-Feeds                                                                                               | Brgy. San Jose and Sagurong, Pili, Camarines Sur                                                                                   | Rented         | Good      | 669,240.00                                                | December 31, 2026           | Renewable every year                                                                                                                                                                                                                                             |
| Paranaque Warehouse - SMFI-Agro Industrial Cluster (AIC), SMFI-San Miguel Integrated Sales (SMIS); SMFI-Great Food Solutions (GFS) | Pacific Coast Plaza Building, 1st Villamor Street, Paranaque                                                                       | Rented         | Good      | 59,423.29 (AIC)<br>156,017.75 (SMIS)<br>24,433.47 (GFS)   | December 31, 2025           | Mutually be agreed upon between the parties.                                                                                                                                                                                                                     |
| Tarlac Warehouse - SMFI-Feeds                                                                                                      | Brgy. Estrada Capas, Tarlac                                                                                                        | Rented         | Good      | 1,002,400.00                                              | December 31, 2025           | Renewable every year                                                                                                                                                                                                                                             |
| Laguna Warehouse - SMFI - Poultry                                                                                                  | Denson Warehouse, Brgy. Parian, Calamba, Laguna                                                                                    | Rented         | Good      | 290,936.58                                                | July 31, 2025               | Renewable every year                                                                                                                                                                                                                                             |
| SMILSI ULAS Warehouse - SMFI - Poultry                                                                                             | San Miguel Brewery Regional Sales Office, Mac Arthur Highway, Ulas, Talomo, Davao City.                                            | Rented         | Good      | 481,306.00                                                | 30-Aug-2025                 | Renewable upon mutual agreement of both parties                                                                                                                                                                                                                  |
| <b>Snack Counter / Stock Room</b>                                                                                                  |                                                                                                                                    |                |           |                                                           |                             |                                                                                                                                                                                                                                                                  |
| Snack Counter - Northwing T2 - Foodcrave Marketing, Inc. (FMI)                                                                     | Level 2 Northwing Airside Naia Terminal 2 Naia Road Barangay 197 1300 Pasay City Ncr, Fourth District Philippines                  | Rented         | Good      | 87,808.00                                                 | 12-May-2028                 | Either Party may serve a written request for renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease |
| Snack Counter - Southwing T2 - Foodcrave Marketing, Inc. (FMI)                                                                     | Level 2 Southwing Airside Naia Terminal 2 Road Barangay 197 1300 Pasay City Ncr, Fourth District Philippines                       | Rented         | Good      | 87,808.00                                                 | 12-May-2028                 | Either Party may serve a written request for renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease |

| Company Name / Subsidiary                                                               | Address                                                                                                                                    | Rented / Owned | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|-----------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stock room -Southwing T2 - Foodcrave<br>Marketing, Inc. (FMI)                           | Level 2 Southwing Airside Naia Terminal 2 Road<br>Barangay 197 1300 Pasay City Ncr, Fourth District<br>Philippines                         | Rented         | Good      | 44,352.00                                                 | 12-May-2028                 | Either Party may serve a written<br>request for renewal on the<br>other Party within ninety (90)<br>days prior to the expiration of<br>the Lease Period, provided that<br>the Party, upon whom such<br>notice is served, shall not be<br>obliged to agree to the renewal<br>of the lease |
| Snack Counter - Northwing T3 - Foodcrave<br>Marketing, Inc. (FMI)                       | Domestic Food Village Northwing Naia Terminal 3<br>Andrews Avenue Barangay 183 1300 Pasay City Ncr,<br>Fourth District Philippines         | Rented         | Good      | 45,000.00                                                 | 9-Dec-2028                  | Either Party may serve a written<br>request for renewal on the<br>other Party within ninety (90)<br>days prior to the expiration of<br>the Lease Period, provided that<br>the Party, upon whom such<br>notice is served, shall not be<br>obliged to agree to the renewal<br>of the lease |
| Snack Counter - Food Hall Arrival Area T3 -<br>Foodcrave Marketing, Inc. (FMI)          | Level 1 All Filipino Food Hall Arrival Area 3 Naia Road<br>Andrews Avenue Barangay 182 1300 Pasay City Ncr,<br>Fourth District Philippines | Rented         | Good      | 54,000.00                                                 | 9-Dec-2028                  | Either Party may serve a written<br>request for renewal on the<br>other Party within ninety (90)<br>days prior to the expiration of<br>the Lease Period, provided that<br>the Party, upon whom such<br>notice is served, shall not be<br>obliged to agree to the renewal<br>of the lease |
|                                                                                         |                                                                                                                                            |                |           |                                                           |                             |                                                                                                                                                                                                                                                                                          |
|                                                                                         |                                                                                                                                            |                |           |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| <b>MAGNOLIA, INC. and SUBS</b>                                                          |                                                                                                                                            |                |           |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| <b>Admin Office/Processing Plant/Product<br/>Development Laboratory/Warehouse</b>       |                                                                                                                                            |                |           |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| Cavite Admin Office, Magnolia Processing<br>Plant and Depots - Magnolia Inc. (Magnolia) | Governor's Drive, Bo. De Fuego, Gen. Trias, Cavite                                                                                         | Owned          | Good      |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| Laguna Ice Cream Plant - Golden Food<br>Management Inc. (GFMI)                          | Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz,<br>Sta. Rosa, Laguna                                                                 | Owned          | Good      |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| <b>Land</b>                                                                             |                                                                                                                                            |                |           |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| Cavite Land 1 (Magnolia)                                                                | Lot 1-E of Subdivision Plan (LRA), PSD-417836, Brgy.<br>San Francisco, General Trias, Cavite                                               | Owned          | Good      |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| Cavite Land 2 (Magnolia)                                                                | Lot 2 of the Consol.-Subd. Plan (LRA) PCS-32472,<br>Barangay of De Fuego General Trias, Cavite                                             | Owned          | Good      |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| Cavite Land 3 (Magnolia)                                                                | Lot 3, (LRA) PCS-32472, LRC Rec. No. 5964 Barangay<br>of De Fuego, General Trias, Cavite                                                   | Owned          | Good      |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| Cavite Land 4 (Magnolia)                                                                | LOT 1-B-1 (LRA) PSD-04-282045, BRGY, DE FUEGO,<br>GENERAL TRIAS CITY, CAVITE                                                               | Owned          | Good      |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| Cavite Land 5 (Magnolia)                                                                | LOT 3-B-1 OF SUBD. PLAN NO. PSD-04-287787,<br>BRGY, DE FUEGO (now BRGY SAN FRANCISCO),<br>GENERAL TRIAS CITY, CAVITE                       | Owned          | Good      |                                                           |                             |                                                                                                                                                                                                                                                                                          |
| Laguna Ice Cream Plant (Land Only) - Golden<br>Food Management Inc. (GFMI)              | Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz,<br>Sta. Rosa, Laguna                                                                 | Rented         | Good      | 866,250.89                                                | May 31, 2029                | Renewable upon mutual<br>agreement of both parties                                                                                                                                                                                                                                       |

| Company Name / Subsidiary                                                         | Address                                                                                              | Rented / Owned | Condition | Monthly Rental<br>(In PhP, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract | Terms of Renewal /<br>Options                          |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------|-----------|-----------------------------------------------------------|-----------------------------|--------------------------------------------------------|
| <b>Depot</b>                                                                      |                                                                                                      |                |           |                                                           |                             |                                                        |
| Iloilo Depot - Magnolia                                                           | 3M Dragon, Leganes St., Brgy Lupa, Santa Barbara, Iloilo                                             | Rented         | Good      | 3,038,542.90                                              | December 31, 2026           | Renewable every 2 years                                |
| Consolacion Cebu Depot - Magnolia                                                 | Cebu-North Road, Tayud, Consolacion, Cebu                                                            | Rented         | Good      | 5,375,637.97                                              | December 31, 2026           | Renewable every 2 years                                |
| Cagayan de Oro Depot - Magnolia                                                   | Brgy. Cugman, Cagayan de Oro City                                                                    | Rented         | Good      | 3,088,480.82                                              | December 31, 2026           | Renewable every 2 years                                |
| Bacolod Depot - Magnolia                                                          | Magsaysay Cor Araneta Sts., Brgy. Singcang, Bacolod City                                             | Rented         | Good      | 2,019,692.41                                              | December 31, 2026           | Renewable every 2 years                                |
| Davao Depot - Magnolia                                                            | San Miguel Brewery Sales Office, Ulas Davao City                                                     | Rented         | Good      | 87,746,089.33                                             | December 31, 2025           | Renewable every year                                   |
| <b>Cold Storage</b>                                                               |                                                                                                      |                |           |                                                           |                             |                                                        |
| Muntinlupa Cold Storage - Magnolia                                                | 235 FMW Bldg., Alabang-Zapote Road, Cupang, 1771 City of Muntinlupa NCR, Fourth District Philippines | Rented         | Good      | 1,081,856.94                                              | June 30, 2026               | Renewable every 3 years                                |
|                                                                                   |                                                                                                      |                |           |                                                           |                             |                                                        |
|                                                                                   |                                                                                                      |                |           |                                                           |                             |                                                        |
| <b>THE PUREFOODS HORMEL, INC.</b>                                                 |                                                                                                      |                |           |                                                           |                             |                                                        |
| <b>Processing Plant/Product Development Laboratory/Warehouse</b>                  |                                                                                                      |                |           |                                                           |                             |                                                        |
| Marikina Processed Meats Plant (used as warehouse) - Purefoods-Hormel             | JP Rizal St., Bo. San Roque, Marikina City                                                           | Owned          | Good      |                                                           |                             |                                                        |
| Cavite Processed Meat Plant - Purefoods Hormel Company, Inc.                      | Bo. De Fuego, Brgy. San Francisco, Gen. Trias, Cavite                                                | Owned          | Good      |                                                           |                             |                                                        |
| <b>Cold Storage/Laboratory/Warehouse</b>                                          |                                                                                                      |                |           |                                                           |                             |                                                        |
|                                                                                   |                                                                                                      |                |           |                                                           |                             |                                                        |
|                                                                                   |                                                                                                      |                |           |                                                           |                             |                                                        |
| <b>SAN MIGUEL MILLS, INC. and SUBS</b>                                            |                                                                                                      |                |           |                                                           |                             |                                                        |
| <b>Flourmill/Feedmill and Warehouse</b>                                           |                                                                                                      |                |           |                                                           |                             |                                                        |
| Mabini Flourmill - San Miguel Mills, Inc.                                         | Brgy. Bulacan, Mabini, Batangas City                                                                 | Owned          | Good      |                                                           |                             |                                                        |
| Tabangao Flourmill - San Miguel Mills, Inc.                                       | Brgy. Tabangao, Batangas City                                                                        | Owned          | Good      |                                                           |                             |                                                        |
| Bacolod Warehouse - San Miguel Mills Inc.                                         | Reclamation Area, Barangay Poblacion, Bacolod City                                                   | Owned          | Good      |                                                           |                             |                                                        |
| Paranaque Warehouse - San Miguel Mills, Inc.                                      | 8380 Dr. A. Santos Avenue, Barangay BF Homes, Parafaque City                                         | Rented         | Good      | Jan-Apr: 122,197.41<br>May-Dec: 125,863.33                | April 30, 2026              | Renewable upon mutual written agreement of the parties |
|                                                                                   |                                                                                                      |                |           |                                                           |                             |                                                        |
| <b>Grain Terminal</b>                                                             |                                                                                                      |                |           |                                                           |                             |                                                        |
| Mabini Bulk Grain Handling Terminal & Warehouse - Golden Bay Grain Terminal Corp. | Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas City                                           | Owned          | Good      |                                                           |                             |                                                        |
| <b>Land</b>                                                                       |                                                                                                      |                |           |                                                           |                             |                                                        |
| Pasig Land (Parking Lot) - Golden Avenue Corp. (GAC)                              | San Miguel Ave., Corner Tektite Road, Pasig City                                                     | Owned          | Good      |                                                           |                             |                                                        |
| Bacolod Land - San Miguel Mills, Inc.                                             | Reclamation Area, Barangay Poblacion, Bacolod City                                                   | Owned          | Good      |                                                           |                             |                                                        |
| Mabini Bulk Grain Handling Terminal (Land only) - Golden Bay Grain Terminal Corp. | Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas                                                | Rented         | Good      | Jan-Mar: 2,075,304.30<br>Apr-Dec: 2,179,069.52            | March 31, 2026              | Renewable upon mutual written agreement of the parties |
| Mabini New Flourmill (Land Only) - San Miguel Mills, Inc.                         | Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas                                                | Rented         | Good      | 1,896,603.95                                              | December 31, 2026           | Renewable upon mutual written agreement of the parties |
| Mabini Old Flourmill (Land Only) - San Miguel Mills, Inc.                         | Brgy. Bulacan, Mabini, Batangas                                                                      | Rented         | Good      | 1,780,984.00                                              | December 31, 2026           | Renewable upon mutual written agreement of the parties |

| Company Name / Subsidiary                                                                              | Address                                                                                            | Rented / Owned | Condition | Monthly Rental<br>(In Php, Unless<br>Otherwise Indicated) | Expiry of Lease<br>Contract                             | Terms of Renewal /<br>Options                                                                            |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------|-----------|-----------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>Foreshore</b><br>Mabini Bulk Grain Handling Terminal<br>Foreshore - Golden Bay Grain Terminal Corp. | Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas                                              | Rented         | Good      | 373,949.14                                                | February 28, 2025                                       | Lease may be renewed for another 25 years at the option of the DENR.<br>Ongoing renewal of 2025 contract |
| Mabini Foreshore - San Miguel Mills, Inc.                                                              | Brgy. Bulacan, Mabini, Batangas                                                                    | Rented         | Good      | 49,089.06                                                 | Continuing unless terminated and agreed by both parties | Lease may be renewed for another 25 years at the option of the DENR; Under renewal process               |
| Tabangao Foreshore - San Miguel Mills, Inc.                                                            | Brgy. Tabangao, Batangas City                                                                      | Rented         | Good      | 9,648.63                                                  | Continuing unless terminated and agreed by both parties | Lease may be renewed for another 25 years at the option of the DENR; Under renewal process               |
| <b>Cold Storage/Laboratory/Warehouse</b>                                                               |                                                                                                    |                |           |                                                           |                                                         |                                                                                                          |
| <b>INTERNATIONAL SUBS</b>                                                                              |                                                                                                    |                |           |                                                           |                                                         |                                                                                                          |
| <b>Admin Office and Feedmill/Processing Plant/Product Development Laboratory/Warehouse</b>             |                                                                                                    |                |           |                                                           |                                                         |                                                                                                          |
| Depok Office and Poultry Processing Plant - PT. San Miguel Purefoods Indonesia                         | Jl. Raya Bogor Km. 37 Sukamaju, Cilodong, Depok, Indonesia                                         | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Binh Duong Processing Plant - San Miguel Purefoods (VN) Co., Ltd.                                      | An Tay, Ben Cat, Binh Duong, Vietnam                                                               | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Ho Chi Minh Office - San Miguel Purefoods (VN) Co., Ltd.                                               | 6F Mekong Tower, 235-241 Ward 13, Tan Binh, Ho Chi Minh City, Vietnam                              | Rented         | Good      | VND 43,363,637/<br>PHP 99,736.37                          | July 31, 2026                                           | Renewable every year                                                                                     |
| <b>4 OTHERS- SAN MIGUEL FOOD AND BEVERAGE INC.</b>                                                     |                                                                                                    |                |           |                                                           |                                                         |                                                                                                          |
| <b>Admin Office</b>                                                                                    |                                                                                                    |                |           |                                                           |                                                         |                                                                                                          |
| Pasig Office - San Miguel Food and Beverage, Inc. (SMFB)                                               | 17F, 18F, 21F, 22F, 23F JMT Corporate Condominium Building, ADB Avenue, Ortigas Center, Pasig City | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| <b>Land</b>                                                                                            |                                                                                                    |                |           |                                                           |                                                         |                                                                                                          |
| Mabini Land - SMFB                                                                                     | Brgy. Bulacan, Mabini, Batangas City                                                               | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Bukidhon                                                                                               | Captain Bayong, Impasugong                                                                         | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Davao                                                                                                  | Barrio Talomo, City of Davao                                                                       | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Zamboanga                                                                                              | Brgy. Boalan, Mercedes, City of Zamboanga                                                          | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| South Colabato                                                                                         | Burgos St, Pob. Surallah, South Colabato                                                           | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Misamis Oriental                                                                                       | Manticao, Misamis Oriental                                                                         | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Misamis Oriental                                                                                       | Bo. Carmen Cagayan De Oro, Misamis Oriental                                                        | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Lanao Del Norte                                                                                        | Bgy Tacub, Kauswagan, Lanao Del Norte                                                              | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Iligan                                                                                                 | Bo. San Isidro, Iligan City                                                                        | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Camiguin                                                                                               | Malingin, Mainit, Catarman, Camiguin                                                               | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Taytay Rizal                                                                                           | Barrio of Moson Taytay, Rizal                                                                      | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| Quezon City                                                                                            | 36 St. James St. Kingsport Subd., Novaliches, Quezon City                                          | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| San Fabian                                                                                             | San Fabian, Pangasinan                                                                             | Owned          | Good      |                                                           |                                                         |                                                                                                          |
| <b>B. RENTED</b>                                                                                       |                                                                                                    |                |           |                                                           |                                                         |                                                                                                          |
| <b>Admin Office</b>                                                                                    |                                                                                                    |                |           |                                                           |                                                         |                                                                                                          |
| Office Space                                                                                           | 40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City                                             | Rented         | Good      | 30,025.89                                                 | June 30, 2026                                           | Lease term renewed. July 1 2025-June 30, 2026                                                            |

Note: All owned properties are free of liens and encumbrances.



## Annex “D”

### LIST OF PRODUCTS

#### I. BEER AND NAB

1. San Miguel Pale Pilsen
2. San Mig Light
3. San Miguel Super Dry
4. San Miguel Premium All-Malt
5. Red Horse
6. Red Horse Super
7. Gold Eagle
8. San Miguel Cerveza Negra
9. San Miguel Flavored Beer
10. San Mig Zero
11. San Miguel NAB
12. San Miguel Flavored NAB
13. San Miguel Cerveza Blanca
14. San Miguel Chocolate Lager (Limited Edition)
15. Blue Ice
16. Dragon
17. W1N Bia (Bia Hoi)
18. Anker
19. Kuda Putih
20. Bruck
21. Knight
22. San Mig Hard Seltzer
23. Batavia
24. San Miguel Mango Yuzu (Limited Edition)

#### ALCOHOL-FREE BEVERAGE

1. San Mig Free

#### NON-ALCOHOLIC BEVERAGES

1. Magnolia Fruit Drink<sup>1</sup>
2. Magnolia Healthtea
3. Magnolia Cali
4. Magnolia Flavored Water<sup>2</sup>

#### BREWED FOR PRIVATE LABEL

1. Ikinama
2. Kiwamugi
3. Elite
4. Ceus

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<sup>1</sup> Discontinued in 2025. Magnolia Fruit Drink flavors were shifted to Magnolia Healthtea in 2025.

<sup>2</sup> Discontinued in 2025.

BREWED UNDER LICENSING/TOLLING AGREEMENT

1. Carlsberg
2. Sunlik

IMPORTED/DISTRIBUTED

1. Kirin Ichiban
2. Spitfire
3. Whitstable Bay
4. Mahou
5. Magners

## **II. SPIRITS**

1. GINEBRA SAN MIGUEL
2. GINEBRA SAN MIGUEL PREMIUM GIN
3. G.S.M. BLUE LIGHT GIN
4. G.S.M. BLUE FLAVORS (Mojito, Margarita, Gin Pomelo, and Lychee Martini)
5. PRIMERA LIGHT - Premium Brandy Liqueur
6. VINO KULAFU (Chinese Wine)
7. ANTONOV VODKA
8. 1834 PREMIUM DISTILLED GIN
9. ARCHANGEL RESERVE PREMIUM DRY GIN
10. FREEDOM ISLAND LIGHT RUM
11. SAN MIGUEL ETHYL ALCOHOL

### **For Export Only**

12. TONDEÑA MANILA RUM (Gold)



### **III. FOOD**

**San Miguel Foods, Inc.**

#### **POULTRY**

##### **Live Broilers**

##### **Dressed Chicken (Wholes)**

- Magnolia Fresh Chicken (Fresh Chilled, Frozen)
- Magnolia Spring Chicken (Fresh Chilled, Frozen)
- Magnolia Big Bird (Fresh and Frozen)
- Magnolia Jumbo Chicken (Fresh and Frozen)
- Magnolia Free Range Chicken (Fresh and Frozen)

##### **Cut-ups**

- Magnolia Chicken Cut-ups (Fresh Chilled, Frozen)
- Magnolia Chicken Station Cut-ups (Cut and packed in the Chicken Stations)

##### **Marinated, Ready to Cook**

- Magnolia Chicken Timplados Ready-to-Cook (Fried Chicken, BBQ, Tocino, Teriyaki, Spicy Wings, Oriental Wings, Inasal, Spicy Fried Chicken, Roasters Lemon Herb, Roasters Smoked Pepper, Bola-Bola, Chicken Longanisa, Chicken Longanisa, Cheesy Fingers, All-around Giniling, Pinoy Street Foods (Chicken Skin, Isaw, Proven, Tail) Classic Burger, Toppings (Adobo, Bopis, Spicy Curry, Bistek, and Afritada), BBQ Chicken Ribs, Chicken Karaage (Snow Cheese, Hot & Spicy, Soy Garlic, Chili Honey), Fried Chicken with Glaze (Smoked Bacon, Yangnyeom)

- Magnolia Chicken Station Timplados (Vanilla Fingers, Lumpiang Shanghai, Spicy Neck, Chicken Frillers, Korean BBQ, Chicken Siomai, Chicken Tapa) – produced in Chicken Stations

- Chick'n Sulit (Sisig, Chicken Balls)

##### **Giblets**

- Magnolia Chicken Giblets (Fresh and Frozen Liver and Gizzard)

##### **Institutional**

- Whole Chicken
- Customized Bone-in Cut-ups and Deboned Fillets

##### **Brown Eggs**

- Magnolia Cage-Free Brown Eggs 12s

#### **FRESH MEATS**

##### **Live Hogs**

##### **Wholesale Cuts**

- Pork
  - Hog Carcass
  - Boxed Primal Parts

- Beef
  - Beef Forequarters
  - Beef Hindquarters
  - Boxed Primal Cuts

**Retail Cut-ups**

Monterey Primal Cuts (Pork, Beef)

Monterey Meatshop Cut Ups (Pork, Beef) - cut and packed in Monterey Meatshops

**Marinated**

Monterey Meatshop Timplados (Pork, Beef) - produced in Monterey Meatshops

**FEEDS****Animal and Aquatic Feeds****Hog Feeds**

B-MEG Premium Hog Feeds

B-MEG Premium Super Inahin Hog Pellets

B-MEG Premium Super Biik Hog Feeds

B-MEG Expert Premium Formulation Hog Pellets

B-MEG Expert Complete Nutrition Hog Feeds

B-MEG Mega Mash

B-MEG Essential Hog Feeds

B-MEG Essential Performix

B-MEG Bonanza Hog Pellets

Jumbo Hog Feeds

Pureblend Hog Feeds

**Poultry Feeds**

B-MEG Essential Layer

B-MEG Essential Broiler

B-MEG Essential Broiler Breeder

B-MEG Premium Layer

B-MEG Premium Broiler

B-MEG Expert Layer

B-MEG Layer

B-MEG Broiler

B-MEG Ducks

B-MEG Free Range Chicken Feeds

B-MEG Integra

B-MEG Powermaxx

B-MEG Derby Ace

B-MEG F-Series

B-MEG Pigeon Pellets

Pureblend Layer Feeds

Pureblend Broiler Feeds

Pureblend Duck Feeds

**Aquatic Feeds**

B-MEG Prize Catch Super Premium Extruded Floating Feeds

B-MEG Prize Catch Premium Extruded Floating Feeds

B-MEG Prize Catch Premium Sinking Feeds

B-MEG Aquaration Extruded Floating Feeds

B-MEG Aquaration Extruded Sinking Feeds

**Others**

Pureblend Quail Feeds

B-MEG Horse Feeds

**Concentrates**

B-MEG Hog Concentrate

B-MEG Essential Pig Protein Concentrate

B-MEG Essential Goat Concentrate

## **Animal Health Care Veterinary Medicines**

### **Anti-infective - Water Soluble Preparations**

Amoxil-V (Amoxicillin 20%)  
Cephalexin 20%  
Chlortetracycline 25%  
Cotrimoxazole 48%  
Doxa-V (Doxycycline 20%)  
Dox-C-Lin Gold Premium  
B-MEG Power Maxx Trimaxx  
B-MEG Power Maxx Dox-C Maxx

### **Supplement/Vitamins - Water Soluble Preparations**

Elec-V (Electrolytes)  
Multi-V (Multi-vitamins)  
Multivitamins + Minerals + Amino Acids  
Vitamin B-Complex (Broiler)  
B-MEG Power Maxx Electromaxx  
B-MEG Power Maxx Multimaxx

### **Anti-Inflammatory/Anti-pyretic - Water Soluble Preparation**

Para-V

### **Dewormer/Anti-nematodal - Water Soluble Preparations**

Bulatigok SD (Levamisole 2%)  
Bulatigok (Levamisole 20%)

### **Injectables**

Alamycin LA

### **Supplement/Vitamins - Injectables**

Iron Vet  
Norovit

### **Oral Preparations**

B-MEG Power Maxx Trifast  
B-MEG Power Maxx Worm-X  
B-MEG Power Maxx Worm-X Maxx  
B-MEG Power Maxx Multimax D5

### **Anti-infective - Liquid Preparations**

Norfloxacin 20%

### **Supplement/Vitamins - Liquid Preparations**

Vitamin ADE OS  
Vitamin E 60%  
Multi-V  
Multi-V Plus (MV+AA OS)  
PneumoCare (Essential Oils + Ethanol)  
Vita-Levo

### **Disinfectants**

Protect Plus  
Protect Plus Gold  
Aqua Care  
Calci Clear  
Sanivir Smoke

### **Others**

B-MEG Power Maxx Feather Shine Shampoo  
Cyrokill  
Long Last

Zyrox Fly Bait

**Pet Care**

**Mainstream Dog Food**

Nutri Chunks Hi-Protein Puppy Lamb  
Nutri Chunks Optimum Adult Beef  
Nutri Chunks Optimum Adult Lamb  
Nutri Chunks Coatshine Adult Salmon  
Nutri Chunks Maintenance Adult Beef  
Nutri Chunks Maintenance Small Breed Lamb

**Economy Dog Food**

AlphaPro Regular Bites Adult Beef  
AlphaPro Small Bites Adult Beef  
AlphaPro Puppy Bites Adult Milk & Chicken

**Cat Food**

Majesty Cat Food Salmon Flavor

**Dog Treats**

NutriChunks Milk Flavored Sticks  
NutriChunks Beef Flavored Sticks

**Pet Health/Wellness**

NutriChunks Wormshot Dewormer  
NutriChunks Multi-V Yum Supplement

**San Miguel Mills, Inc.**

**Hard Wheat Flour**

Emperor  
King  
Pacific  
Monarch  
Harina de Pan de Sal  
Count

**Soft Wheat Flour**

Queen  
Countess  
Red Dragon  
Nova  
Customized Super Vega  
Alpha  
Polaris

**Specialty Flour**

Baron All-Purpose Flour  
Gallant All-Purpose Flour  
Baron Siopao Flour  
Princess Cake Flour  
Golden Wheat Whole Wheat Flour (Fine and Coarse)

**Customized Flour**

Royal Premium Noodle Flour  
Royal Special Noodle Flour  
Prince Miki Flour  
Prince Noodle Flour  
Prince Wrapper Flour

**Premixes**

- Bake Best Bibingka Mix
- Bake Best Brownie Mix
- Bake Best Butter Cake Mix
- Bake Best Crinkle Mix
- Bake Best Pan De Sal Mix
- Bake Best Puto Mix
- Bake Best Yeast Raised Doughnut Mix

**Bakery Ingredients**

- Bake Best Baking Powder
- Bake Best Bread Improver
- Bake Best Gold Bread Improver
- Bake Best Platinum Bread Improver
- Emperor's Best Instant Yeast

**Other Wheat Flours**

- Mabini
- Humabon
- Bonifacio
- Silang
- Dagohoy
- Other Customized Flours for Institutional Accounts

**The Purefoods-Hormel Company, Inc.****REFRIGERATED MEATS****Hotdogs**

- Purefoods Tender Juicy Hotdog
  - Classic (Regular, Jumbo, Cocktail, Balls, Kingsize, Giant), Cheesedog (Regular, Jumbo), Cheeseballs, Cheesy Pizza, Cheesy Spaghetti, Chicken, Chicken & Cheese, Chili, Chili & Cheese, Classic Corndog, Cheesy Corndog, Spaghetti Sauce
- Star Hotdog
  - Classic (Regular, Jumbo, Footlong), Cheesedog (Regular, Jumbo, Footlong), Chick n Tasty (Regular, Jumbo)
- Purefoods Beefies Hotdog
  - Classic (Regular, Jumbo), Lots-A-Cheese (Regular, Jumbo)
- Higante Hotdog (Classic, Cheesedog, Chicken, Jumbo)
- Vida Hotdog (Regular, Jumbo)
- Bongga Hotdog

**Breaded, Battered and Fried**

- Purefoods Chicken Nuggets (Chicken Breast Nuggets, Crazy Cut Shapes, Letters & Numbers, Bacon & Cheese, Cheese Overload, Drummets, Chicken Popcorn, Spicy Chicken Nuggets)
- Purefoods Fish Nuggets
- Purefoods Shrimp Tempura
- Purefoods Tail-On Shrimp
- Purefoods Squid Rings
- Purefoods Chicken Katsu
- Purefoods Pork Katsu
- Purefoods Chicken Karaage
- Purefoods Crispy Fried Chicken (Classic, Soy Garlic, Garlic Parmesan)
- Star Nutri-Meats Chicken Nuggets (Chicken, Chick'n Cheese)
- Star Nutri-Meats Burger Bites
- Star Nutri-Meats Crispy Ulam Burger

**Deli**

Purefoods Bacon (Honeycured, Maple-flavored, Thick Cut Honeycured, Bacon Crumble, Beef Bacon)  
Hormel Black Label Bacon  
Vida Bacon  
Purefoods Deli Franks (German, Angus Beef, Cheese, Spicy Pepper Beef)  
Purefoods Deli Sausages (Bockwurst, Schublig, Hungarian Cheese, Breakfast Sausage)  
Purefoods Deli Patties (Angus Beef, Breakfast Sausage)  
Purefoods Deli Toppings (Italian Sausage, Pepperoni)

**Whole Hams**

Purefoods Fiesta Ham (Pre-Sliced)  
Purefoods Jamon de Bola (Pork, Chicken)  
Purefoods Chinese Ham  
Purefoods Brick Ham  
Purefoods Pear-Shaped Ham (Pork, Chicken)  
Jamon Royale

**Sliced Hams**

Purefoods Ham (Sweet, Cooked, Chicken)  
Purefoods Fiesta Ham Slices  
Star Sweet Ham  
Vida Sweet Ham

**Ready-to-Cook/Ready-to-Eat**

Purefoods Chicken Teriyaki, Chicken Balls  
Ready-to-Eat Viands (Kare Kare, Bistek Tagalog, Lechon Paksiw, Pork Binagoongan, Pork Humba, Beef Caldereta, Beef Pares, Bicol Express, Chicken Afritada, Callos, Korean Beef Stew, Dinuguan, Chicken Curry, Beef Mechado)  
Ready-to-Eat Classic Filipino Soups (Beef Bulalo, Beef Kansi)  
Purefoods Sauces (Spaghetti Sauce)

**Native Line/Pinoy Favorites**

Purefoods Tocino (Classic, Sweet Chili, Chicken, Sugarfree)  
Purefoods Longanisa (Hamonado, Recado, Chicken, Cebu Chorizo, Vigan, Cabanatuan)  
Purefoods Tapa (Beef, Chicken, Sweet & Spicy Beef, Hot & Spicy Chicken)  
Purefoods Adobo Flakes  
Purefoods Embutido  
Purefoods Pinoy BBQ Liempo  
Purefoods Salt & Pepper Liempo  
Purefoods Chicken Inasal  
Purefoods Chicken Barbecue  
Purefoods Sisig  
Purefoods Chicken Sisig  
Purefoods Chicharon Bulaklak  
Purefoods Chicken (Gizzard, Neck, Feet)  
Star Nutri-Meats Burger (Classic, Chicken)  
Star Nutri-Meats Bologna  
Vida Meaty Roll

**Plant-Based**

Veega Meat Free Line (Burger Patty, Sausage, Giniling, Nuggets, Balls)  
Veega Vegan Line (Adobo Flakes, Tapa, Tocino)

**Foodservice/Specialty**

Purefoods Foodservice Korean Corndog with Tender Juicy  
Purefoods Foodservice Sausage (Patty, Italian Sausage)  
Purefoods Foodservice Bacon (Sliced and Diced)  
Purefoods Foodservice Beef Toppings

Purefoods Foodservice Pepperoni  
Purefoods Foodservice Sauce (Marinara, Alfredo, Carbonara, Meaty Bolognese, and Bolognese Meat Free)  
Purefoods Foodservice Angus Burger Patty 860g  
Purefoods Foodservice Value Chicken Burger 400g  
Purefoods Foodservice Chicken Chunks in Brine 500g

## **GROCERY PRODUCTS**

### **Corned Meats**

Purefoods Corned Beef (Classic, Hash, Chili Garlic, Hot & Spicy, with Chunks, Bulgogi, Mechado, Salpicao, Bistek, Gyudon, Caldereta, Shawarma)  
Chunkee Corned Beef  
Star Nutri-Meats Corned Beef (Regular, Chunky Cheese)  
Star Nutri-Meats Carne Norte  
Bongga Carne Norte (Regular, Hot & Spicy)

### **Luncheon Meats**

Purefoods Luncheon Meat (Classic, Lite, BBQ, Chili Pepper, Bacon, Cheese, Chicken)  
Purefoods Chinese Style Luncheon Meat  
Purefoods Chicken Luncheon Meat  
Star Nutri-Meats Beef Loaf  
Star Nutri-Meats Meat Loaf  
Star Nutri-Meats Ulam Loaf (Hot & Spicy, Embutido)  
Bongga Beef Loaf  
SPAM (Regular, Less Sodium, Lite, Tocino, Hot & Spicy, Bacon, Chicken)

### **Sausages**

Purefoods Vienna Sausage  
Star Nutri-Meats Sausage

### **Canned Viands**

Purefoods Sizzling Delights (Sisig, Chicken Sisig)  
Ulam King (Caldereta, Menudo, Mechado)  
Star Nutri-Meats Ulam (Adobo, Bicol Express, Bistek, Caldereta, Humba, Kare-Kare, Mechado, Pares, Curry, Afritada, and Hot & Spicy)  
Star Nutri-Meats Giniling (Classic Guisado, Tomato Sauce, Gata, Oyster Sauce)

### **Specialty Grocery Products**

Purefoods Liver Spread  
Purefoods Sauces (Spaghetti Meat Sauce, Meaty Sauce Home-style, Meaty Sauce Sweet Style)  
Purefoods Chorizo Bilbao Style  
Purefoods Chili Con Carne  
Star Nutri-Meats Liver spread

### **Peanut Butter**

SKIPPY (Creamy, Chunky, No Sugar No Salt Added)

**Magnolia Inc.**

## **BUTTER, MARGARINE, AND CHEESE**

### **Butter and Margarine**

Magnolia Gold Butter (Salted, Unsalted)  
Magnolia Gold Spreadable  
Magnolia Butter-licious! (Salted and Unsalted)  
Whipped Butterblend (Food Service)  
Butterblend (Food Service)  
My Butter Salted (Food Service)

**Refrigerated Margarine**

- Dari Creme (Classic, Buttermilk)
- Dari Creme Spreadable
- Buttercup
- Baker's Best

**Non-Refrigerated Margarine**

- Star Margarine (Classic, Sweet Blend, Garlic, Chocolate)
- Delicious Margarine
- Magnolia Non-Refrigerated Margarine (Food Service)
- Magnolia Non-Refrigerated Margarine Unflavored (Food Service)
- Primex Shortening (Food Service)
- NRM Buttermilk (Food Service)
- Delicious Baking Fat Spread (Food Service)

**Cheese**

- Magnolia Cheezee Block (Regular, Milky White)
- Magnolia Cheezee Spread (Plain, Pimiento, Milky White)
- Magnolia Cheezee Squeeze (Cheddar, Pimiento)
- Daily Quezo
- Magnolia Quickmelt
- Magnolia Cheddar
- Magnolia Cream Cheese (Block, Spread)
- Magnolia Cheeseballs (Queso de Bola, Gold Edam) - Seasonal
- Magnolia Food Service Cheese (Cheese Sauce, Filled Cheese, Cheese food, Hi-Colored Cheese, Sharp Flavored Melting Cheese)

**MILK**

- Magnolia Chocolait
- Magnolia Pure Fresh Milk
- Magnolia Low Fat Milk
- Magnolia Full Cream Milk
- Magnolia Non Fat Milk
- San Miguel Gold Label Chocolait (for export)

**ALL-PURPOSE CREAM**

- Magnolia All-Purpose Cream

**SALAD AIDS**

- Magnolia Real Mayonnaise
- Magnolia Sandwich Spread
- Magnolia Mayoriffic
- Magnolia Creamy Chicken Spread
- Daily Mayo

**FLOUR MIXES**

- Magnolia Pancake
- Magnolia All Purpose Flour
- Magnolia Cake Mixes
- Magnolia Golden Crunch (Original, Sweet & Spicy)

- Pre Mixes (For Export)

- Magnolia Puto Mix
  - Magnolia Bibingka Mix
  - Magnolia Pandesal Mix
  - Magnolia Pancake Mix
  - Magnolia All Purpose Flour



## **ICE CREAM**

### **Bulk Ice Cream**

Magnolia Classic (Kesong Puti, Avocado, Vanilla, Chocolate, Ube)  
Magnolia Gold Label (Vanilla, Chocolate, Ube, Mango, Avocado, Smores, Double Dutch, Cookies and Cream, Rocky Road, Wintermelon Milk Tea, Quadruple Chocolate, Choco Peanut Butter, Taro White Cheese, Tablea Yema, Avocado Macchiato, Ube Keso, Kesong Puti, Mango Dark Chocolate, Latte Choco Brownie)  
Magnolia Food Service (Tablea Yema, Taro, Kesong Puti, Macapuno, Buko Pandan, Dark Chocolate, Ube Keso, Ube, Strawberry, Vanilla)

### **San Miguel Gold Label (For Export)**

SMGL Mellorine (Ube, Ube Keso, Creamy Halo-Halo, Mango, Avocado Macchiato, Macapuno, Ube Swirl, Avocado, Keso, Kesong Puti, Taro White Cheese, Macapuno, Tsokolate, Kape't Tsokolate, Tablea Yema, Langka, Langka't Kasuy, Buko, Buko Pandan, Ube Macapuno, Ube Langka, Ube Rocky Road, Ube Cookies & Cream)  
SMGL Frozen Dessert (Ube, Macapuno Ube Swirl, Creamy Halo-Halo, Mango, Avocado, Buko Pandan, Durian, Ube Keso)  
SMGL Ice Confectionery (Ube, Ube Keso, Macapuno Ube Swirl, Creamy Halo-Halo, Avocado, Buko Pandan, Durian, Mango)  
Magnolia Gold Label (Vanilla, Chocolate, Mango, Cookies & Cream, Double Dutch, Rocky Road, Avocado Macchiato, Ube, Ube Keso, Macapuno Ube Swirl, Creamy Halo-Halo, Smores, Tablea Yema, Taro White Cheese, Quadruple Chocolate, Avocado, Kesong Puti, Mango Dark Chocolate, Latte Choco Brownie)

## **San Miguel Super Coffeemix Co., Inc.**

### **Coffee**

San Mig Super Coffee Regular 3-in-1 Coffee – Original  
San Mig Super Coffee Sugar Free 3-in-1 Coffee (Mild, Original, Strong, and White)  
San Mig Super Coffee 3-in-1 Barako  
San Mig Super Coffee 3-in-1 Crema White Coffee  
L'OR Essenso Micro Ground Coffee (3-in-1, 2-in-1, 2-in-1 Colombian Mystique, 3-in-1 Brazilian Elegance)  
Moccona Instant Pure (Espresso, Roasted Hazelnut, Classic Medium Roast, Classic Dark Roast, Indulgence)  
Moccona Cafe Style Coffee Mix (Latte, and Cappuccino)  
L'OR Espresso Capsules (Lungo Profondo, Ristretto, Supremo, Origins Colombia Andes)  
OldTown White Coffee (Classic 3-in-1, Hazelnut, Less Sugar, Salted Caramel)

## **San Miguel Pure Foods (VN) Co., Ltd.**

### **Sausage**

Le Gourmet German Sausage  
Le Gourmet Deli Sausage  
Le Gourmet Deli Sumo Sausage  
Le Gourmet Beer Garden Sausage  
Le Gourmet Viet My Sausage  
Le Gourmet My Sausage  
Le Gourmet Hao Vi Sausage  
Le Gourmet Cocktail Sausage  
Le Gourmet Chinese Sausage  
Le Gourmet Black Pepper Sausage  
Le Gourmet Smoked Sausage  
Le Gourmet BBQ Sausage  
Le Gourmet Italian Sausage  
Le Gourmet Hotdog  
Le Gourmet Hotdog Corndog  
Purefoods Tender Juicy Hotdog  
Le Gourmet Vealson Sausage

**Bacon**

Le Gourmet Smoked Bacon  
Le Gourmet Lean Smoked Bacon

**Ham**

Le Gourmet Ham

**Traditional**

Le Gourmet Cha Lua  
Le Gourmet Cha Bo  
Le Gourmet Gio Thu  
Le Gourmet Beef Ball

**Paste**

Le Gourmet Pate

**Ready-to-Cook/ Ready-to-Eat**

Le Gourmet Spaghetti with Pasta

**Foodservice/ Specialty**

Le Gourmet Beef Toppings  
Le Gourmet Pepperoni  
Le Gourmet Meatballs



## Annex “E”

### LIST OF SUPPLIERS OF MAJOR RAW MATERIALS

#### **Beer and NAB Segment**

Malt and Hops

BOORTMALT ASIA PACIFIC PTY LTD.  
GDH SUPERTIME GUANGZHOU MALTING COMPANY  
LIMITED  
MALTEUROP  
TAIWAN HON CHUAN ENTERPRISE CO.,

Corn Grits/Tapioca/Rice/  
Sugar/Starch

ALL ASIAN COUNTERTRADE INC.  
ALL ASIAN COUNTERTRADE PTE LTD.  
CAGAYAN CORN PRODUCTS CORPORATION  
CGRAIN TECHNOLOGY CO., LTD  
DAESANG PHILIPPINE CORPORATION  
EIAMHENG TAPIOCA STARCH INDUSTRY  
FO SHAN GAO MING RI ZHEN JIA CEREALS AND OILS  
CO. LTD.  
HEFEI LONGJIE FOOD&OIL CO. LTD.  
LAMBAYONG MNLF MULTI PURPOSE  
LIMKETKAI MANUFACTURING CORPORATION  
PT SAHABAT SENTRA ASIA  
RICOR MILLS CORPORATION  
SCG INTERNATIONAL CORPORATION

Packaging Materials

BANGKOK CAN MANUFACTURING CO., LTD.  
BOONPONGKIT LTD.  
CAN ASIA, INC.  
CROWN BEVERAGE CANS HONG KONG  
CROWN BEVERAGE CAN (HESHAN) CO. LTD.  
CTY TNHH BAOSTEEL CAN MAKING VN  
DOUBLE PAPER PRODUCT INDUSTRIES  
GUANGDONG HUAXING GLASS CO., LTD  
HEINDRICH TRADING CORP.  
MULIAGLASS CONTAINER DIVISION, PT  
O-I (ZHAO QING) GLASS  
SAN MIGUEL YAMAMURA PACKAGING CORPORATION  
SHUM KEE INDUSTRIAL COMPANY LIMITED  
SIAM GLASS AYUTTHAYA CO., LTD.  
SUNRISE (ZHANGZHOU) INTELLIGENT TECHNOLOGY  
CO., LTD  
T.C.P. INDUSTRY CO., LTD.

Fuel & Brewery Chemicals

MABUHAY VINYL CORPORATION  
PETRON CORPORATION  
SL HARBOR BULK TERMINAL CORPORATION

**Spirits Segment**

Alcohol

HEINDRICH TRADING PTE. LTD.  
RAIZEN TRADING S.A.  
SHOALHAVEN STARCHES PTY LTD

Molasses

BISCOM INC.  
E D & F MAN MOLASSES B.V.  
HAWAIIAN-PHILIPPINE COMPANY  
HEINDRICH TRADING PTE. LTD.  
PETER CREMER GMBH  
UNITED MOLASSES TRADING LTD.

Glass Bottles

SAN MIGUEL YAMAMURA PACKAGING CORP.  
SMC SHIPPING AND LIGHTERAGE CORP.

Flavoring and Sweeteners

ALL ASIAN COUNTERTRADE INC  
WILMAR EDIBLE OILS PHILIPPINES,  
WILMAR SUGAR PTE. LTD.

Packaging and Labels

CORBOX CORPORATION  
GREENSTONE PACKAGING CORPORATION  
HEINDRICH TRADING PTE. LTD.  
HICAP AIOT TECHNOLOGIES (YANTAI)  
OMEGA-VENTURES WL TRADING CORP.  
ROWELL LITHOGRAPHY & METAL CLOSURE  
SAN MIGUEL YAMAMURA PACKAGING  
SC BROTHERS PACKAGING CORP.  
TWINPACK CONTAINER CORPORATION  
UNITED GRAPHIC EXPRESSION  
VALENZUELA PACKAGING CONTAINER

**Food Segment**

Breeder Stocks

AVIAGEN GROUP  
COBB VANTRESS INC.

Beef Carcass

D'METER FIELDS CORPORATION

Soybean Meal, Wheat and Corn

BUNGE ASIA PTE. LTD  
AGROCORP INTERNATIONAL PTE LTD  
LOUIS DREYFUS COMMODITIES ASIA PTE LTD.  
CJ INTERNATIONAL ASIA PTE. LTD.

Wheat

ADM ASIA-PACIFIC TRADING PTE. LTD.  
BUNGE ASIA PTE. LTD  
CHS INC.  
TOYOTA TSUSHO ASIA PACIFIC PTE.  
VITERRA AGRICULTURE ASIA

Imported Meat

SEARA SINGAPORE PTE. LTD.

Skimmed Milk Powder  
and Anhydrous Milk Fat

FONTERRA INGREDIENTS LIMITED

Coffee Mixes

JACOBS DOUWE EGBERTS RTL SCC SG PTE. LTD.



## Annex “F”

### LIST OF COLLECTIVE BARGAINING AGREEMENTS AND COLLECTIVE LABOR AGREEMENTS

#### I. Beer and NAB Segment

| <u>Domestic Unions<sup>1</sup></u>                                                                                | <u>Number<br/>of<br/>Members</u> | <u>Number<br/>of CBAs</u> | <u>Expiration</u> |                       |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------|-------------------|-----------------------|
|                                                                                                                   |                                  |                           | <u>Economic</u>   | <u>Representation</u> |
| Concerned Workers of SMC – Polo Brewery (Polo Brewery Dailies Union)                                              | 279                              | 1                         | June 30, 2028     | July 27, 2026         |
| SMBI Employees Union (SMBIEU) – PTGWO (Polo Brewery Monthlies Union)                                              | 94                               | 1                         | June 30, 2028     | June 30, 2029         |
| San Fernando Brewery Employees Union (SFBEU) – (San Fernando Dailies Union)                                       | 320                              | 1                         | February 15, 2026 | February 15, 2030     |
| San Miguel Brewery Inc. Employees Union (SMBIEU-SFB) – (San Fernando Brewery Monthlies Union)                     | 95                               | 1                         | December 31, 2025 | December 31, 2029     |
| San Miguel Brewing Group – Bacolod Brewery Employees Union (SMBG-BBEU) – (Bacolod Brewery Dailies Union)          | 108                              | 1                         | July 31, 2028     | April 27, 2029        |
| Kahugpongan Sa Ligdong Mamumu-O (KLM) – (Mandaue Brewery Dailies Union)                                           | 200                              | 1                         | December 31, 2026 | December 31, 2025     |
| San Miguel Davao Brewery Employees Independent Union – (Davao Brewery Dailies Union)                              | 129                              | 1                         | November 30, 2027 | November 30, 2027     |
| Independent Workers Union of San Miguel Brewery Santa Rosa Plant (IWUSMBSRP) – (Santa Rosa Brewery Dailies Union) | 142                              | 1                         | December 31, 2026 | October 31, 2028      |
| <b>TOTAL</b>                                                                                                      | <b>1367</b>                      | <b>8</b>                  |                   |                       |

| <u>International Unions</u> |                                            |                                                                                                                                   | <u>No. of<br/>Members</u> | <u>No. of<br/>CLAs</u> | <u>Period of CLA</u> |                   |
|-----------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------|----------------------|-------------------|
| <u>Country</u>              | <u>Installation</u>                        | <u>Name of Union / Org<br/>representing employees</u>                                                                             |                           |                        | <u>Start</u>         | <u>Expiration</u> |
| Vietnam                     | San Miguel Brewery Vietnam Company Limited | SMBVCL Trade Union is under the supervision of Trade Union of the Khan Hoa Industrial & Economic Zone, Khan Hoa Province, Vietnam | 114                       | 1                      | January 1, 2025      | December 31, 2026 |
| Indonesia                   | PT Delta Jakarta Tbk                       | PTD Trade Union is a member of the Cigarette, Tobacco, Food & Beverage Workers Union of Indonesia (National Coverage)             | 182                       | 1                      | July 12, 2022        | December 31, 2026 |
| China / Hong Kong           | San Miguel (Guangdong) Brewery Co. Ltd.    | SMGB Trade Union Committee                                                                                                        | 252                       | 1                      | June 26, 2025        | June 25, 2028     |

<sup>1</sup> Philippine Agricultural, Commercial and Industrial Workers Union-Trade Union Congress of the Philippines (PACIWU-TUCP) – (Bacolod Brewery Monthlies Union) was dissolved effective October 9, 2025.

## II. Spirits Segment

| Installation, Bargaining Agent & Affiliation                                                                                      | Number of Members | Number of CBAs | EXPIRATION          |                      |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|---------------------|----------------------|
|                                                                                                                                   |                   |                | Economic            | Representation       |
| GSMI - Mandaue Plant (Dailies)<br>Ginebra San Miguel Inc. - Independent Employees Union - Mandaue Plant (GSMIIE-MP)               | 33                | 1              | December 31, 2027   | December 31, 2029    |
| GSMI - Cabuyao Plant (Dailies)<br>United Independent Union of GSMI-Cabuyao Plant                                                  | 114               | 1              | December 31, 2026   | December 31, 2027    |
| GSMI - Sta Barbara Plant (Dailies)<br>Daily Paid Workers Independent Union                                                        | 86                | 1              | *December 31, 2025  | ***December 31, 2025 |
| GSMI - Sta Barbara Plant (Monthlies)<br>La Tondeña Distillers Independent Workers Union (LATODIWU) Monthly Paid Independent Union | 20                | 1              | *December 31, 2025  | ***December 31, 2025 |
| Distilleria Bago Inc. (Monthlies)<br>Congress of Independent Organization - Distilleria Bago Employees Union (CIO - DBEU)         | 90                | 1              | **December 31, 2025 | ***December 31, 2025 |
| <b>Total</b>                                                                                                                      | <b>343</b>        | <b>5</b>       |                     |                      |

\* For negotiation on January 2026

\*\* For negotiation on February 2026

\*\*\* Petition to question SEBA status has already lapse since it is already beyond the freedom period of the existing CBA. Representation may be changed within the 60 days before the expiration of the new CBA period.

## III. Food Segment

| Installation, Bargaining Agent & Affiliation                                                                                     | Number of Members | Number of CBAs | Expiration        |                   |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|-------------------|-------------------|
|                                                                                                                                  |                   |                | Economic          | Representation    |
| Magnolia Inc. (Dailies) Progressive Workers' Union - IBM Local 47 KMU (PWU- IBM KMU)                                             | 59                | 1              | February 28, 2026 | February 28, 2025 |
| San Miguel Foods Inc. (GMA Monthlies)- SMFI Employees Union (SMFIEU) - PTGWO                                                     | 98                | 1              | December 31, 2025 | October 22, 2026  |
| San Miguel Foods Inc. - South Luzon SMFI Poultry (Monthlies) - Magnolia Poultry Employees Union - PTGWO                          | 19                | 1              | December 31, 2025 | June 30, 2026     |
| San Miguel Mills, Inc. - Mabini Batangas Flour Mill Employees Union (Monthlies) - Purefoods Flour Mill Employees Union - (PFMEU) | 43                | 1              | December 31, 2025 | July 31, 2027     |
|                                                                                                                                  | <b>219</b>        | <b>4</b>       |                   |                   |

| International Unions |                                        |                                                                  | No. of Members | No. of CLAs | Period of CLA   |                   |
|----------------------|----------------------------------------|------------------------------------------------------------------|----------------|-------------|-----------------|-------------------|
| Country              | Installation                           | Name of Union / Org representing employees                       |                |             | Start           | Expiration        |
| Vietnam              | San Miguel Pure Foods Vietnam Co. Ltd. | Trade Union Foundation of San Miguel Pure Foods Vietnam (SMPFVN) | 243            | 1           | January 1, 2026 | December 31, 2028 |
|                      |                                        |                                                                  | <b>243</b>     | <b>1</b>    |                 |                   |

**ANNEX “G”**

**San Miguel Food and Beverage, Inc.  
Reported SEC Form 17-C for 2025**

| Date Reported                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Subject                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |         |                 |              |                   |                   |                         |               |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|--------------|-------------------|-------------------|-------------------------|---------------|---------------|
| <p><b>January 15, 2025</b><br/>via email at<br/><a href="mailto:ictdsubmission@sec.gov.ph">ictdsubmission@sec.gov.ph</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB%20Amended%20Articles%20of%20Incorporation%20approved%20by%20SEC%20on%2010Jan25%20(primary%20purpose%20and%20principal%20address).PDF">https://www.smfb.com.ph/files/reports/SMFB Amended Articles of Incorporation approved by SEC on 10Jan25 (primary purpose and principal address).PDF</a></p>                                                                                                                                                                                 | <p><u>Item 9. Other Events</u></p> <p>Please be informed that the Company received from the Securities and Exchange Commission on January 15, 2025, the Certificate of Filing of Amended Articles of Incorporation issued by the Company Registration and Monitoring Department on January 10, 2025, approving the amendments to the Second Article on the Company’s primary purpose and to the Third Article on the Company’s principal office address.</p> <p>A copy of the said Certificate with the Amended Articles of Incorporation is attached hereto.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |                 |              |                   |                   |                         |               |               |
| <p><b>February 5, 2025</b><br/>via email at<br/><a href="mailto:ictdsubmission@sec.gov.ph">ictdsubmission@sec.gov.ph</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB%20SEC%20Form%2017-C%20(02.05%20SBOD%20mtg%20.re%20appointment%20of%20key%20officers).pdf">https://www.smfb.com.ph/files/reports/SMFB SEC Form 17-C (02.05 .25 SBOD mtg . re appointment of key officers) .pdf</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB%20SEC%20Form%2017-C%20(02.05%20SBOD%20mtg%20.re%20FB%20Cash%20Div%20Dec%20).pdf">https://www.smfb.com.ph/files/reports/SMFB SEC Form 17-C (02.05 .25 SBOD mtg . re FB Cash Div . Dec .) .pdf</a></p> | <p><u>Item 9. Other Events</u></p> <p>At the special meeting of the Board of Directors of San Miguel Food and Beverage, Inc. (respectively, the “Board” and the “Company”) held on February 5, 2025:</p> <ol style="list-style-type: none"> <li>Upon the endorsement of the Corporate Governance Committee, the Board appointed the following key officers, effective today February 5, 2025, to serve the unexpired terms of their predecessors: <ol style="list-style-type: none"> <li>Mr. Emmanuel B. Macalalag as Chief Operating Officer of the Food Division, vice Mr. Francisco S. Alejo III; and</li> <li>Ms. Monica L. Ang-Mercado as Chief Finance Officer, vice Mr. Ildefonso B. Alindogan.</li> </ol> <p>Mr. Francisco S. Alejo III, Mr. Emmanuel B. Macalalag, and Ms. Monica L. Ang-Mercado will continue to serve as directors of the Company.</p> </li> <li>The Board approved the declaration of regular cash dividends on the outstanding common shares (FB) of the Company as follows: <table data-bbox="763 1402 1284 1528"> <tr> <td>Amount:</td><td>P0.50 per share</td></tr> <tr> <td>Record Date:</td><td>February 19, 2025</td></tr> <tr> <td>Closing of Books:</td><td>February 20 to 24, 2025</td></tr> <tr> <td>Payment Date:</td><td>March 6, 2025</td></tr> </table> <p>Earlier in the afternoon, the non-executive directors held a meeting with the external auditor of the Company and heads of the internal audit, compliance and risk functions in attendance, without any executive director present.</p> </li> </ol> | Amount: | P0.50 per share | Record Date: | February 19, 2025 | Closing of Books: | February 20 to 24, 2025 | Payment Date: | March 6, 2025 |
| Amount:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | P0.50 per share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         |                 |              |                   |                   |                         |               |               |
| Record Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | February 19, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |                 |              |                   |                   |                         |               |               |
| Closing of Books:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | February 20 to 24, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |         |                 |              |                   |                   |                         |               |               |
| Payment Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | March 6, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |                 |              |                   |                   |                         |               |               |
| <p><b>March 5, 2025</b><br/>via email at<br/><a href="mailto:ictdsubmission@sec.gov.ph">ictdsubmission@sec.gov.ph</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB%20SEC%20Form%2017-C%20(05Mar25%20matters%20approved%20ar%20the%20BOD%20mtg.).pdf">https://www.smfb.com.ph/files/reports/SMFB SEC Form 17-C (05Mar25 matters approved ar the BOD mtg.) .pdf</a></p>                                                                                                                                                                                                                                                                                   | <p><u>Item 9. Other Events</u></p> <p>At the meeting of the Board of Directors of San Miguel Food and Beverage, Inc. (respectively, the “Board” and the “Company”) held on March 5, 2025 via video conference:</p> <p>A. Upon the endorsement of the Audit Committee, the Board approved the following:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |         |                 |              |                   |                   |                         |               |               |

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|                                                                                                                                                                                                                                                             | <ol style="list-style-type: none"> <li>1. The audited consolidated financial statements of the Company as at and for the year ended December 31, 2024 (the “2024 Audited Financial Statements”), and the submission to the SEC, the PSE and the PDEx of the Annual Report of the Company (or SEC Form 17-A), including the 2024 Audited Financial Statements and the 2024 Sustainability Report. The Company posted consolidated revenues of P400.9 billion, consolidated EBITDA of P73.1 billion, consolidated income from operations of P55.8 billion, and consolidated net income of P40.9 billion;</li> <li>2. The 2025 Consolidated Internal Audit Plan and Consolidated Outsourcing Plan of the Company's Internal Audit Group;</li> <li>3. The Company's updated Internal Audit Charter;</li> <li>4. The Quality Assurance and Improvement Program External Assessment Activity;</li> <li>5. The submission to the stockholders for ratification or approval at the 2025 Annual Stockholders' Meeting, as the case may be, the fees billed for services rendered by the external auditor to the Company in connection with the Company's 2024 financial statements and the re-appointment of KPMG/R.G. Manabat &amp; Co. as external auditor of the Company for fiscal year 2025. The fees payable to the external auditor will be negotiated and agreed by management; and</li> <li>6. The appointment of KPMG/R.G. Manabat &amp; Co. for non-audit services and limited assurance engagements in 2025 as required by applicable law and regulations, subject to terms determined by management.</li> </ol> <p>B. The Board approved the virtual holding of the Annual Stockholders' Meeting of the Company on June 4, 2025, Wednesday, 2:00 p.m., where stockholders may attend and vote through remote communication. Management was authorized to determine the mechanics to implement such mode of voting, in accordance with any rules the SEC and PSE may issue on this subject.</p> <p>In this connection:</p> <ol style="list-style-type: none"> <li>1. The record date for the stockholders entitled to vote at the said meeting will be May 5, 2025;</li> <li>2. The stock and transfer books will be closed from May 6 to 13, 2025;</li> <li>3. The deadline for submission of proxies will be May 21, 2025; and</li> <li>4. The validation of proxies will be on May 28, 2025.</li> </ol> <p>C. The Agenda of the Annual Stockholders' Meeting, as approved by the Board, is as follows:</p> <ol style="list-style-type: none"> <li>1. Call to Order</li> <li>2. Certification of Notice and Quorum</li> <li>3. Approval of the Minutes of the 2024 Annual Stockholders' Meeting</li> <li>4. Presentation of the Annual Report and Approval of the 2024 Audited Financial Statements</li> <li>5. Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers</li> <li>6. Appointment of External Auditor and Ratification of External Auditor Fees</li> <li>7. Election of the Board of Directors</li> <li>8. Other Matters</li> <li>9. Adjournment</li> </ol> |
| <p><b>March 5, 2025</b><br/>via email at<br/><a href="mailto:ictdsubmission@sec.gov.ph">ictdsubmission@sec.gov.ph</a><br/><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-</a></p> | <p><u>Item 9. Other Events</u></p> <p>Please see attached press release entitled “<b>SMFB net income up 7% in 2024 to P40.9B, sustains strong growth momentum</b>”.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |



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| <a href="#">C (05Mar25 FY24 Press Release (Final).pdf)</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |                 |              |              |                   |                    |               |              |
| <p><b>March 28, 2025</b><br/>via email at<br/><a href="mailto:ictdsubmission@sec.gov.ph">ictdsubmission@sec.gov.ph</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(SMFB_Series_A_Bonds_Final_Maturity).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(SMFB_Series_A_Bonds_Final_Maturity).pdf</a></p>                                                                                                                                                                   | <p><u>Item 9. Other Events</u></p> <p>We advise that as of March 28, 2025, all of the Php8,000,000,000.00 Series A Fixed Rate Peso Denominated Bonds (the "Bonds") issued by San Miguel Food and Beverage, Inc. (the "Corporation") due March 2025 have fully matured and the principal investment amounts due on the Bonds have been paid to the respective holders thereof in accordance with the relevant terms and conditions of the Bonds.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |                 |              |              |                   |                    |               |              |
| <p><b>May 7, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C(07May25_matters_approved_at_the_BOD_mtg.)_.pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C(07May25_matters_approved_at_the_BOD_mtg.)_.pdf</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(05.07_25_BOD_mtg_.re_F_B_Cash_Div_.Dec_.).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(05.07_25_BOD_mtg_.re_F_B_Cash_Div_.Dec_.).pdf</a></p> | <p><u>Item 9. Other Events</u></p> <p>At the meeting of the Board of Directors of San Miguel Food and Beverage, Inc. (respectively, the "Board" and the "Company") held on May 7, 2025:</p> <p>A. Upon the endorsement of the Audit Committee, the Board approved (1) the submission of the Quarterly Report of the Company (or SEC Form 17-Q), including financial statements as at and for the period ended March 31, 2025, to the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE), and the Philippine Depositary &amp; Exchange Corp. (PDEX). In the first three months of 2025, the Company posted consolidated revenues of P98.9 billion, consolidated EBITDA of P19.6 billion, consolidated income from operations of P15.2 billion, and consolidated net income of P11.6 billion; and (2) revisions to the 2025 Consolidated Internal Audit Plan and Outsourcing Plan of the Internal Audit Group, which plans were approved by the Board at the March 5, 2025 meeting as previously disclosed.</p> <p>B. Upon the endorsement of the Corporate Governance Committee, the Board approved the 2024 Integrated Annual Corporate Governance Report of the Company, which will be submitted to the SEC, the PSE and the PDEX, as required, then posted on the Company's website within five business days thereafter, in accordance with the rules of the SEC and the PSE.</p> <p>C. The Board approved the declaration of cash dividends on the outstanding common shares (FB) of the Company as follows:</p> <table data-bbox="743 1360 1252 1486"> <tr> <td>Amount:</td><td>P0.50 per share</td></tr> <tr> <td>Record Date:</td><td>May 22, 2025</td></tr> <tr> <td>Closing of Books:</td><td>May 23 to 27, 2025</td></tr> <tr> <td>Payment Date:</td><td>June 6, 2025</td></tr> </table> <p>D. The Board deliberated on the results of the assessment of the members of the Audit Committee, the Related Party Transactions Committee, the Board Risk Oversight and Sustainability Committee, and the Corporate Governance Committee, on the performance of the said Committees for the year ended December 31, 2024.</p> <p>The Board further deliberated on the results of the performance assessment of the Board of Directors and key officers of the Company, facilitated by independent third-party Good Governance Advocates and Practitioners of the Philippines, for the year ended December 31, 2024.</p> | Amount: | P0.50 per share | Record Date: | May 22, 2025 | Closing of Books: | May 23 to 27, 2025 | Payment Date: | June 6, 2025 |
| Amount:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | P0.50 per share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |                 |              |              |                   |                    |               |              |
| Record Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | May 22, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |                 |              |              |                   |                    |               |              |
| Closing of Books:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | May 23 to 27, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |                 |              |              |                   |                    |               |              |
| Payment Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | June 6, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |                 |              |              |                   |                    |               |              |

| <p><b>May 7, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(07May25_1Q25_Press_Release_FINAL).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(07May25_1Q25_Press_Release_FINAL).pdf</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><u>Item 9. Other Events</u></p> <p>Please see attached press release entitled “<b>SMFB Sustains Growth in Q1 2025 with 16% Increase in Net Income</b>”.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                |                     |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
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| <p><b>June 4, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(04Jun25_Results_of_Orgl_BOD_mtg.)_pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(04Jun25_Results_of_Orgl_BOD_mtg.)_pdf</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(04Jun25_Results_of_ASM).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(04Jun25_Results_of_ASM).pdf</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(04Jun25_Appointment_of_C_PNoel_as_LID).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(04Jun25_Appointment_of_C_PNoel_as_LID).pdf</a></p> | <p><u>Item 9. Other Events</u></p> <p>Please be informed that at the Annual Meeting of Shareholders (the “ASM”) and Organizational Meeting of the Board of Directors (the “BOD”) of San Miguel Food and Beverage, Inc. (the “Corporation”) both held on June 4, 2025:</p> <p>1. Upon the favorable endorsement of the Corporate Governance Committee, the following directors were duly elected by the stockholders at the ASM, with the respective number of shares held by each in the Corporation as of June 4, 2025:</p> <table><tr><th>Name of Owner</th><th>Title of Class</th><th>Amount and Nature of Ownership</th><th>Total No. of Shares</th></tr><tr><td>Ramon S. Ang</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>John Paul L. Ang</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Carlos Antonio M. Berba</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Emmanuel B. Macalalag</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Monica L. Ang-Mercado</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Ferdinand K. Constantino</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Aurora T. Calderon</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Francisco S. Alejo III</td><td>Common</td><td>10 (Direct)</td><td>230,010 (0.00%)</td></tr><tr><td></td><td></td><td>230,000 (Beneficial)</td><td></td></tr><tr><td>Menardo R. Jimenez</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Francis H. Jardeleza</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Ricardo C. Marquez</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Cirilo P. Noel</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Aurora S. Lagman</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr><tr><td>Estela M. Perlas-Bernabe</td><td>Common</td><td>10 (Direct)</td><td>3,010 (0.00%)</td></tr><tr><td></td><td></td><td>3,000 (Beneficial)</td><td></td></tr><tr><td>Antonio S. Abacan, Jr.</td><td>Common</td><td>10 (Direct)</td><td>10 (0.00%)</td></tr></table> <p>2. Stockholders representing at least majority of the outstanding common shares of the Corporation present in person or by proxy at the ASM, ratified the 2024 audit fees paid to the external auditor as negotiated and agreed by management with the authority of the BOD.</p> <p>3. Upon the favorable endorsement of the Audit Committee, stockholders representing at least majority of the outstanding common shares of the Corporation present in person or by proxy at the ASM, appointed KPMG R. G. Manabat &amp; Co. as external auditor of the Corporation for the year 2025.</p> <p>4. The following key officers were duly elected by the BOD at the Organizational Meeting:</p> <table><tr><td>Ramon S. Ang</td><td>Chairman</td></tr><tr><td>John Paul L. Ang</td><td>President and Chief Executive Officer</td></tr><tr><td>Emmanuel B. Macalalag</td><td>Chief Operating Officer – Food</td></tr></table> | Name of Owner                  | Title of Class      | Amount and Nature of Ownership | Total No. of Shares | Ramon S. Ang | Common | 10 (Direct) | 10 (0.00%) | John Paul L. Ang | Common | 10 (Direct) | 10 (0.00%) | Carlos Antonio M. Berba | Common | 10 (Direct) | 10 (0.00%) | Emmanuel B. Macalalag | Common | 10 (Direct) | 10 (0.00%) | Monica L. Ang-Mercado | Common | 10 (Direct) | 10 (0.00%) | Ferdinand K. Constantino | Common | 10 (Direct) | 10 (0.00%) | Aurora T. Calderon | Common | 10 (Direct) | 10 (0.00%) | Francisco S. Alejo III | Common | 10 (Direct) | 230,010 (0.00%) |  |  | 230,000 (Beneficial) |  | Menardo R. Jimenez | Common | 10 (Direct) | 10 (0.00%) | Francis H. Jardeleza | Common | 10 (Direct) | 10 (0.00%) | Ricardo C. Marquez | Common | 10 (Direct) | 10 (0.00%) | Cirilo P. Noel | Common | 10 (Direct) | 10 (0.00%) | Aurora S. Lagman | Common | 10 (Direct) | 10 (0.00%) | Estela M. Perlas-Bernabe | Common | 10 (Direct) | 3,010 (0.00%) |  |  | 3,000 (Beneficial) |  | Antonio S. Abacan, Jr. | Common | 10 (Direct) | 10 (0.00%) | Ramon S. Ang | Chairman | John Paul L. Ang | President and Chief Executive Officer | Emmanuel B. Macalalag | Chief Operating Officer – Food |
| Name of Owner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Title of Class                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Amount and Nature of Ownership | Total No. of Shares |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Ramon S. Ang                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| John Paul L. Ang                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Carlos Antonio M. Berba                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Emmanuel B. Macalalag                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Monica L. Ang-Mercado                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Ferdinand K. Constantino                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Aurora T. Calderon                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Francisco S. Alejo III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 230,010 (0.00%)     |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 230,000 (Beneficial)           |                     |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Menardo R. Jimenez                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Francis H. Jardeleza                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Ricardo C. Marquez                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Cirilo P. Noel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Aurora S. Lagman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Estela M. Perlas-Bernabe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 3,010 (0.00%)       |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 3,000 (Beneficial)             |                     |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Antonio S. Abacan, Jr.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Common                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 10 (Direct)                    | 10 (0.00%)          |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Ramon S. Ang                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                |                     |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| John Paul L. Ang                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | President and Chief Executive Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                |                     |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |
| Emmanuel B. Macalalag                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Chief Operating Officer – Food                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                |                     |                                |                     |              |        |             |            |                  |        |             |            |                         |        |             |            |                       |        |             |            |                       |        |             |            |                          |        |             |            |                    |        |             |            |                        |        |             |                 |  |  |                      |  |                    |        |             |            |                      |        |             |            |                    |        |             |            |                |        |             |            |                  |        |             |            |                          |        |             |               |  |  |                    |  |                        |        |             |            |              |          |                  |                                       |                       |                                |

|                                |                                                                                   |
|--------------------------------|-----------------------------------------------------------------------------------|
| Carlos Antonio M. Berba        | Chief Operating Officer – Beer                                                    |
| Cynthia M. Baroy               | Chief Operating Officer – Spirits                                                 |
| Ferdinand K. Constantino       | Treasurer                                                                         |
| Monica L. Ang-Mercado          | Chief Finance Officer and Chief Risk Officer                                      |
| Johanna Dominique G. Esteban   | Internal Audit Head                                                               |
| Alexandra Victoria B. Trillana | Compliance Officer, Corporate Secretary, and General Counsel                      |
| Ma. Celeste L. Ramos           | Assistant Corporate Secretary                                                     |
| Kristina Lowella I. Garcia     | Assistant Vice President, Investor Relations Manager, and Data Protection Officer |

Of such officers, the shareholdings in the Corporation of Messrs. RS Ang, JP Ang, EB Macalalag, CM Berba, FK Constantino, and Ms. ML Ang-Mercado are mentioned above. The shareholdings of the other named officers as of June 4, 2025, are as below provided:

| Name of Owner                  | Title of Class | Amount and Nature of Ownership | Total No. of Shares |
|--------------------------------|----------------|--------------------------------|---------------------|
| Cynthia M. Baroy               | N/A            | N/A                            | 0                   |
| Johanna Dominique G. Esteban   | N/A            | N/A                            | 0                   |
| Alexandra Victoria B. Trillana | N/A            | N/A                            | 0                   |
| Ma. Celeste L. Ramos           | N/A            | N/A                            | 0                   |
| Kristina Lowella I. Garcia     | Common         | 10,000 (Beneficial)            | 10,000              |

In the same meeting, the following were elected by the BOD to the Board Committees of the Corporation:

#### **EXECUTIVE COMMITTEE**

|                         |   |             |
|-------------------------|---|-------------|
| Ramon S. Ang            | - | Chairperson |
| John Paul L. Ang        |   |             |
| Monica L. Ang-Mercado   |   |             |
| Carlos Antonio M. Berba |   |             |
| Emmanuel B. Macalalag   |   |             |

#### **AUDIT COMMITTEE**

|                                      |   |             |
|--------------------------------------|---|-------------|
| Cirilo P. Noel (Independent)         | - | Chairperson |
| Ricardo C. Marquez (Independent)     |   |             |
| Antonio S. Abacan, Jr. (Independent) |   |             |
| Aurora T. Calderon                   |   |             |
| Ferdinand K. Constantino             |   |             |

#### **RELATED PARTY TRANSACTIONS COMMITTEE**

|                                        |   |             |
|----------------------------------------|---|-------------|
| Aurora S. Lagman (Independent)         | - | Chairperson |
| Cirilo P. Noel (Independent)           |   |             |
| Estela M. Perlas-Bernabe (Independent) |   |             |
| Ferdinand K. Constantino               |   |             |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p style="text-align: center;"><b><u>BOARD RISK OVERSIGHT AND SUSTAINABILITY COMMITTEE</u></b></p> <p style="text-align: right;">Ricardo C. Marquez (Independent) - Chairperson<br/>Aurora S. Lagman (Independent)<br/>Estela M. Perlas-Bernabe (Independent)<br/>Antonio S. Abacan, Jr. (Independent)<br/>Menardo R. Jimenez<br/>Ferdinand K. Constantino<br/>Aurora T. Calderon</p> <p style="text-align: center;"><b><u>CORPORATE GOVERNANCE COMMITTEE</u></b></p> <p style="text-align: right;">Estela M. Perlas-Bernabe (Independent) - Chairperson<br/>Ricardo C. Marquez (Independent)<br/>Aurora S. Lagman (Independent)<br/>Menardo R. Jimenez<br/>Virgilio S. Jacinto - Advisor</p> <p>Also in the same meeting, Mr. Cirilo P. Noel was appointed as the Lead Independent Director of the Corporation, in compliance with the new Code of Corporate Governance for Publicly-Listed Companies (the “CG Code”).</p> <p>Likewise in compliance with the CG Code and the Corporation’s Policy on Multiple Board Seats as reflected in its Manual on Corporate Governance, the members of the BOD were reminded of their fiduciary duty to notify the BOD where he or she is an incumbent director before accepting a directorship in another company.</p> <p>Furthermore, the BOD approved the depository banks, signing authorities and limits for corporate transactions of the Corporation, subject to amendment as the need arises, for approval at subsequent BOD meetings.</p> |
| <p style="text-align: center;"><b>June 4, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(04Jun25_ASM_Canvassing_Results).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(04Jun25_ASM_Canvassing_Results).pdf</a></p>                                                                                                                                                                                                                                                          | <p><u>Item 9. Other Events</u></p> <p>Please see attached copy of the Canvassing Results of the annual meeting of the stockholders of San Miguel Food and Beverage, Inc. held on June 4, 2025, 2:00 p.m., streamed live through: <a href="https://www.smfb.com.ph/stockholdersmeeting_2025">https://www.smfb.com.ph/stockholdersmeeting_2025</a>.</p> <p>The Canvassing Results will also be uploaded in the Company’s website and may be accessed at the link: <a href="http://www.smfb.com.ph/disclosures//minutes-of-annual-and-special-stockholders--meetings">http://www.smfb.com.ph/disclosures//minutes-of-annual-and-special-stockholders--meetings</a>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p style="text-align: center;"><b>August 6, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(06Aug25_Matters_approved_at_the_BOD_mtg.)_.pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(06Aug25_Matters_approved_at_the_BOD_mtg.)_.pdf</a></p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(06Aug25_BOD_mtg._re_FB_Cash_Div_.Dec_.).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(06Aug25_BOD_mtg._re_FB_Cash_Div_.Dec_.).pdf</a></p> | <p><u>Item 9. Other Events</u></p> <p>At the meeting of the Board of Directors of San Miguel Food and Beverage, Inc. (respectively, the “Board” and the “Company”) held on August 6, 2025:</p> <ol style="list-style-type: none"> <li>Upon the endorsement of the Audit Committee, the Board approved the submission to the SEC, the PSE and the PDEX of the Quarterly Report of the Company (or SEC Form 17-Q), including financial statements as at and for the period ended June 30, 2025. For the first half of 2025, the Company posted consolidated revenues of P201.2 billion, consolidated EBITDA of P39.3 billion, consolidated income from operations of P30 billion, and consolidated net income of P23 billion.</li> <li>Upon the endorsement of the Audit Committee, the Board approved the Audit Plan for the year ending December 31, 2025, for the audit of the separate and consolidated financial statements of the Company and its subsidiaries, including audit strategies and approach, scope of work, audit focus areas and key audit matters, as presented by external</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                   |

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|                                                                                                                                                                                                                                                                                                                                              | <p>auditor R.G. Manabat &amp; Co. KPMG to the Audit Committee. Further, the Board authorized management to negotiate and agree on the audit fees payable to the external auditor based on the approved Audit Plan.</p> <p>3. Upon the endorsement of the Corporate Governance Committee, the Board approved the following amendments to the Company's Manual on Corporate Governance:</p> <p>(a) in Section 2.2.2, to reflect the expanded Board Risk Oversight and Sustainability Committee (formerly Board Risk Oversight Committee) and its additional sustainability-related duties and responsibilities as set out in the updated Charter of the Committee approved in November 2023 as previously disclosed; and</p> <p>(b) in Section 2.2.5, to update the requirement on the rotation of external auditors to observe the provisions on long association of personnel with audit clients under the Code of Ethics for Professional Accountants in the Philippines, as adopted by the Board of Accountancy, Professional Regulation Commission, and other standards of the SEC pursuant to Rule 68 of the Securities Regulation Code.</p> <p>4. The Board approved the declaration of regular and special cash dividends on the outstanding common shares (FB) of the Company as follows:</p> <table> <tr> <td>Amount:</td><td>P0.50 per share regular cash dividend<br/>P0.50 per share special cash dividend</td></tr> <tr> <td>Record Date:</td><td>August 20, 2025</td></tr> <tr> <td>Closing of Books:</td><td>August 21 to 28, 2025</td></tr> <tr> <td>Payment Date:</td><td>September 5, 2025</td></tr> </table> <p>5. The Board approved the new vision and core purpose of the Company, considering the updated visions and core purposes of its Food, Beer, and Spirits Divisions reviewed by the Board in March 2024 as previously disclosed.</p> | Amount: | P0.50 per share regular cash dividend<br>P0.50 per share special cash dividend | Record Date: | August 20, 2025 | Closing of Books: | August 21 to 28, 2025 | Payment Date: | September 5, 2025 |
| Amount:                                                                                                                                                                                                                                                                                                                                      | P0.50 per share regular cash dividend<br>P0.50 per share special cash dividend                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |                                                                                |              |                 |                   |                       |               |                   |
| Record Date:                                                                                                                                                                                                                                                                                                                                 | August 20, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |                                                                                |              |                 |                   |                       |               |                   |
| Closing of Books:                                                                                                                                                                                                                                                                                                                            | August 21 to 28, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |         |                                                                                |              |                 |                   |                       |               |                   |
| Payment Date:                                                                                                                                                                                                                                                                                                                                | September 5, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |         |                                                                                |              |                 |                   |                       |               |                   |
| <p><b>August 6, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(06Aug25_Press_Release_1_H2025).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(06Aug25_Press_Release_1_H2025).pdf</a></p>                                                                                | <p><u>Item 9. Other Events</u></p> <p>Please see attached press release of the Company entitled <b>“SMFB posts 15% rise in H1 net income”</b>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |         |                                                                                |              |                 |                   |                       |               |                   |
| <p><b>August 28, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_Manual_on_Corporate_Governance_approved_on_06_August_2025.pdf">https://www.smfb.com.ph/files/reports/SMFB_Manual_on_Corporate_Governance_approved_on_06_August_2025.pdf</a></p>                                                       | <p><u>Item 9. Other Events</u></p> <p>Further to our disclosure on August 6, 2025, we submit herewith a copy of the Amended Manual on Corporate Governance of the Corporation, as approved by the Board of Directors on the same date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |                                                                                |              |                 |                   |                       |               |                   |
| <p><b>September 8, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(Certificate_to_CG_Seminar_of_Justice_EPBernabe_held_on_25_July_2025).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(Certificate_to_CG_Seminar_of_Justice_EPBernabe_held_on_25_July_2025).pdf</a></p> | <p><u>Item 9. Other Events</u></p> <p>We advise that, in compliance with the Code of Corporate Governance for Publicly Listed Companies and the Manual on Corporate Governance of San Miguel Food and Beverage, Inc. (the “Company”), Justice Estela M. Perlas-Bernabe, Independent Director, attended the corporate governance seminar conducted by BDO Unibank, Inc. on July 25, 2025, at the Narra Hall, BDO Towers Valero, Makati City. The seminar was accredited by the Securities and Exchange Commission in its advisement letter dated July 29, 2025 signed by</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |                                                                                |              |                 |                   |                       |               |                   |

|                                                                                                                                                                                                                                                                                                                                                                   | <p>Atty. Rachel Esther J. Gumtang-Remalante, Director of Corporate Governance and Finance Department.</p> <p>Attached is a copy of Justice Bernabe’s Certificate of Attendance, which the Company received this morning.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
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| <p><b>September 12, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(Certificate_to_CG_Seminar_of_FKC_RCM_FSA_VSJ_FH_J_held_on_September_8,_2025).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(Certificate to CG Seminar of FKC, RCM, FSA, VSJ, FH J held on September 8, 2025).pdf</a></p> | <p><u>Item 9. Other Events</u></p> <p>We advise that, in compliance with the Code of Corporate Governance for Publicly Listed Companies and the Manual on Corporate Governance of San Miguel Food and Beverage, Inc. (the “Company”), the following directors and officers of the Company have attended a corporate governance training seminar conducted by SGV &amp; Co. on September 8, 2025, via MS Teams.</p> <table><tr><th><u>Name</u></th><th><u>Position</u></th><th><u>Date Attended</u></th></tr><tr><td>1. Mr. Ferdinand K. Constantino</td><td>Treasurer, Director</td><td>September 8, 2025</td></tr><tr><td>2. Mr. Francisco S. Alejo III</td><td>Director</td><td>September 8, 2025</td></tr><tr><td>3. Justice Francis H. Jardeleza</td><td>Director</td><td>September 8, 2025</td></tr><tr><td>4. Gen. Ricardo C. Marquez</td><td>Independent Director</td><td>September 8, 2025</td></tr><tr><td>5. Atty. Virgilio S. Jacinto</td><td>Advisor, Corporate Governance Committee</td><td>September 8, 2025</td></tr></table> <p>Attached are the copies of their Certificates of Attendance, which the Company received this afternoon.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <u>Name</u>          | <u>Position</u>      | <u>Date Attended</u>    | 1. Mr. Ferdinand K. Constantino | Treasurer, Director          | September 8, 2025  | 2. Mr. Francisco S. Alejo III   | Director           | September 8, 2025            | 3. Justice Francis H. Jardeleza | Director                  | September 8, 2025  | 4. Gen. Ricardo C. Marquez | Independent Director | September 8, 2025             | 5. Atty. Virgilio S. Jacinto | Advisor, Corporate Governance Committee | September 8, 2025    |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| <u>Name</u>                                                                                                                                                                                                                                                                                                                                                       | <u>Position</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>Date Attended</u> |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 1. Mr. Ferdinand K. Constantino                                                                                                                                                                                                                                                                                                                                   | Treasurer, Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | September 8, 2025    |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 2. Mr. Francisco S. Alejo III                                                                                                                                                                                                                                                                                                                                     | Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | September 8, 2025    |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 3. Justice Francis H. Jardeleza                                                                                                                                                                                                                                                                                                                                   | Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | September 8, 2025    |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 4. Gen. Ricardo C. Marquez                                                                                                                                                                                                                                                                                                                                        | Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | September 8, 2025    |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 5. Atty. Virgilio S. Jacinto                                                                                                                                                                                                                                                                                                                                      | Advisor, Corporate Governance Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | September 8, 2025    |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| <p><b>October 3, 2025</b><br/>via SEC eFAST</p> <p><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(Certificates_to_CG_Seminar_held_on_September_26_2025).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form 17-C_(Certificates to CG Seminar held on September 26 2025).pdf</a></p>                                                      | <p><u>Item 9. Other Events</u></p> <p>We advise that, in compliance with the Code of Corporate Governance for Publicly Listed Companies and the Manual on Corporate Governance of San Miguel Food and Beverage, Inc. (the “Company”), the following directors and officers of the Company, among others, have attended a corporate governance training seminar conducted by SGV &amp; Co. on September 26, 2025, via MS Teams.</p> <table><tr><th><u>Directors</u></th><th><u>Date Attended</u></th></tr><tr><td>1. Mr. John Paul L. Ang</td><td>September 26, 2025</td></tr><tr><td>2. Mr. Emmanuel B. Macalalag</td><td>September 26, 2025</td></tr><tr><td>3. Mr. Ferdinand K. Constantino</td><td>September 26, 2025</td></tr><tr><td>4. Ms. Monica L. Ang-Mercado</td><td>September 26, 2025</td></tr><tr><td>5. Mr. Menardo R. Jimenez</td><td>September 26, 2025</td></tr><tr><td>6. Mr. Cirilo P. Noel</td><td>September 26, 2025</td></tr><tr><td>7. Mr. Antonio S. Abacan, Jr.</td><td>September 26, 2025</td></tr><tr><th><u>Officers</u></th><th><u>Date Attended</u></th></tr><tr><td>1. Atty. Alexandra Victoria B. Trillana</td><td>September 26, 2025</td></tr><tr><td>2. Atty. Ma. Celeste L. Ramos</td><td>September 26, 2025</td></tr><tr><td>3. Ms. Kristina Lowella I. Garcia</td><td>September 26, 2025</td></tr><tr><td>4. Ms. Johanna Dominique G. Esteban</td><td>September 26, 2025</td></tr><tr><th><u>Key Executives of the Food Division</u></th><th><u>Date Attended</u></th></tr><tr><td>1. Ms. Elizabeth R. Bay</td><td>September 26, 2025</td></tr><tr><td>2. Ms. Florence P. Pavon</td><td>September 26, 2025</td></tr><tr><td>3. Ms. Rita Imelda B. Palabyab</td><td>September 26, 2025</td></tr><tr><td>4. Mr. Jose Gabriel S. Cruz</td><td>September 26, 2025</td></tr><tr><td>5. Dr. Leo A. Obviar</td><td>September 26, 2025</td></tr><tr><td>6. Ms. Irene P. Pacheco</td><td>September 26, 2025</td></tr><tr><td>7. Mr. Judah Anton P. Ruiz</td><td>September 26, 2025</td></tr><tr><td>8. Ms. Antonina A. Sio</td><td>September 26, 2025</td></tr></table> | <u>Directors</u>     | <u>Date Attended</u> | 1. Mr. John Paul L. Ang | September 26, 2025              | 2. Mr. Emmanuel B. Macalalag | September 26, 2025 | 3. Mr. Ferdinand K. Constantino | September 26, 2025 | 4. Ms. Monica L. Ang-Mercado | September 26, 2025              | 5. Mr. Menardo R. Jimenez | September 26, 2025 | 6. Mr. Cirilo P. Noel      | September 26, 2025   | 7. Mr. Antonio S. Abacan, Jr. | September 26, 2025           | <u>Officers</u>                         | <u>Date Attended</u> | 1. Atty. Alexandra Victoria B. Trillana | September 26, 2025 | 2. Atty. Ma. Celeste L. Ramos | September 26, 2025 | 3. Ms. Kristina Lowella I. Garcia | September 26, 2025 | 4. Ms. Johanna Dominique G. Esteban | September 26, 2025 | <u>Key Executives of the Food Division</u> | <u>Date Attended</u> | 1. Ms. Elizabeth R. Bay | September 26, 2025 | 2. Ms. Florence P. Pavon | September 26, 2025 | 3. Ms. Rita Imelda B. Palabyab | September 26, 2025 | 4. Mr. Jose Gabriel S. Cruz | September 26, 2025 | 5. Dr. Leo A. Obviar | September 26, 2025 | 6. Ms. Irene P. Pacheco | September 26, 2025 | 7. Mr. Judah Anton P. Ruiz | September 26, 2025 | 8. Ms. Antonina A. Sio | September 26, 2025 |
| <u>Directors</u>                                                                                                                                                                                                                                                                                                                                                  | <u>Date Attended</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 1. Mr. John Paul L. Ang                                                                                                                                                                                                                                                                                                                                           | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 2. Mr. Emmanuel B. Macalalag                                                                                                                                                                                                                                                                                                                                      | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 3. Mr. Ferdinand K. Constantino                                                                                                                                                                                                                                                                                                                                   | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 4. Ms. Monica L. Ang-Mercado                                                                                                                                                                                                                                                                                                                                      | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 5. Mr. Menardo R. Jimenez                                                                                                                                                                                                                                                                                                                                         | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 6. Mr. Cirilo P. Noel                                                                                                                                                                                                                                                                                                                                             | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 7. Mr. Antonio S. Abacan, Jr.                                                                                                                                                                                                                                                                                                                                     | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| <u>Officers</u>                                                                                                                                                                                                                                                                                                                                                   | <u>Date Attended</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 1. Atty. Alexandra Victoria B. Trillana                                                                                                                                                                                                                                                                                                                           | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 2. Atty. Ma. Celeste L. Ramos                                                                                                                                                                                                                                                                                                                                     | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 3. Ms. Kristina Lowella I. Garcia                                                                                                                                                                                                                                                                                                                                 | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 4. Ms. Johanna Dominique G. Esteban                                                                                                                                                                                                                                                                                                                               | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| <u>Key Executives of the Food Division</u>                                                                                                                                                                                                                                                                                                                        | <u>Date Attended</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 1. Ms. Elizabeth R. Bay                                                                                                                                                                                                                                                                                                                                           | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 2. Ms. Florence P. Pavon                                                                                                                                                                                                                                                                                                                                          | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 3. Ms. Rita Imelda B. Palabyab                                                                                                                                                                                                                                                                                                                                    | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 4. Mr. Jose Gabriel S. Cruz                                                                                                                                                                                                                                                                                                                                       | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 5. Dr. Leo A. Obviar                                                                                                                                                                                                                                                                                                                                              | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 6. Ms. Irene P. Pacheco                                                                                                                                                                                                                                                                                                                                           | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 7. Mr. Judah Anton P. Ruiz                                                                                                                                                                                                                                                                                                                                        | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |
| 8. Ms. Antonina A. Sio                                                                                                                                                                                                                                                                                                                                            | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                         |                                 |                              |                    |                                 |                    |                              |                                 |                           |                    |                            |                      |                               |                              |                                         |                      |                                         |                    |                               |                    |                                   |                    |                                     |                    |                                            |                      |                         |                    |                          |                    |                                |                    |                             |                    |                      |                    |                         |                    |                            |                    |                        |                    |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <table> <tr> <td>9. Mr. Teddy V. Pangalilingan</td><td>September 26, 2025</td></tr> <tr> <td>10. Mr. Jesus M. Magtira</td><td>September 26, 2025</td></tr> </table> <p>Attached are the copies of their Certificates of Attendance, which the Company received this morning.</p> <p>Other directors, officers, managers and employees of the operating subsidiaries of the Company and other San Miguel Group companies also attended the seminar.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 9. Mr. Teddy V. Pangalilingan | September 26, 2025                                                             | 10. Mr. Jesus M. Magtira    | September 26, 2025   |                         |                                   |               |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------|-----------------------------|----------------------|-------------------------|-----------------------------------|---------------|-------------------|
| 9. Mr. Teddy V. Pangalilingan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                               |                                                                                |                             |                      |                         |                                   |               |                   |
| 10. Mr. Jesus M. Magtira                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | September 26, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                               |                                                                                |                             |                      |                         |                                   |               |                   |
| <b>October 29, 2025</b><br>via SEC eFAST<br><br><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(Certificates_to	CG_Seminar_held_on_24Oct25_CMB_and_ASL).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(Certificates_to	CG_Seminar_held_on_24Oct25_CMB_and_ASL).pdf</a>                                                                                                                                                                                                       | <p><u>Item 9. Other Events</u></p> <p>We advise that, in compliance with the Code of Corporate Governance for Publicly Listed Companies and the Manual on Corporate Governance of San Miguel Food and Beverage, Inc. (the “Company”), the following have attended a corporate governance training seminar conducted by Center for Global Best Practices on October 24, 2025 via Zoom.</p> <table> <tr> <th><u>Name</u></th><th><u>Position</u></th></tr> <tr> <td>1. Justice Aurora S. Lagman</td><td>Independent Director</td></tr> <tr> <td>2. Ms. Cynthia M. Baroy</td><td>Chief Operating Officer - Spirits</td></tr> </table> <p>Attached are the copies of their Certificates of Attendance, which the Company received this afternoon.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <u>Name</u>                   | <u>Position</u>                                                                | 1. Justice Aurora S. Lagman | Independent Director | 2. Ms. Cynthia M. Baroy | Chief Operating Officer - Spirits |               |                   |
| <u>Name</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>Position</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               |                                                                                |                             |                      |                         |                                   |               |                   |
| 1. Justice Aurora S. Lagman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                               |                                                                                |                             |                      |                         |                                   |               |                   |
| 2. Ms. Cynthia M. Baroy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Chief Operating Officer - Spirits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                               |                                                                                |                             |                      |                         |                                   |               |                   |
| <b>November 10, 2025</b><br>via SEC eFAST<br><br><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C(10Nov25_matters_approved_at_the_BOD_mtg.)_.pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C(10Nov25_matters_approved_at_the_BOD_mtg.)_.pdf</a><br><br><a href="https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(10Nov25_BOD_mtg._re_FB_Cash_Div_.Dec_.).pdf">https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(10Nov25_BOD_mtg._re_FB_Cash_Div_.Dec_.).pdf</a> | <p><u>Item 9. Other Events</u></p> <p>At the meeting of the Board of Directors of San Miguel Food and Beverage, Inc. (respectively, the “Board” and the “Company”) held on November 10, 2025:</p> <p>1. Upon the endorsement of the Audit Committee, the Board approved the submission to the SEC, the PSE, and the PDEx of the Quarterly Report of the Company (or SEC Form 17-Q), including financial statements as at and for the period ended September 30, 2025. For the first nine months of 2025, the Company posted consolidated revenues of P302.9 billion, consolidated EBITDA of P58.4 billion, consolidated income from operations of P44.7 billion, and consolidated net income of P33.7 billion.</p> <p>2. The Board approved the declaration of cash dividends on the outstanding common shares (FB) of the Company as follows:</p> <table> <tr> <td>Amount:</td><td>P0.50 per share regular cash dividend<br/>P0.55 per share special cash dividend</td></tr> <tr> <td>Record Date:</td><td>November 25, 2025</td></tr> <tr> <td>Closing of Books:</td><td>November 26 to 30, 2025</td></tr> <tr> <td>Payment Date:</td><td>December 10, 2025</td></tr> </table> <p>3. In connection with the annual performance assessment of the Board and its Committees, the Compliance Officer reported that the 2025 Board Internal Self-Rating Form (together with the policy, procedures and criteria for the assessment) and 2025 Committee Self-Assessment Worksheets will be sent to the directors and members of the Audit Committee, Board Risk Oversight and Sustainability Committee, Corporate Governance Committee, and Related Party Transactions Committee, for them to accomplish. Copies of the form and worksheets will be available on the Corporate Governance page of the Company’s website, for reference.</p> | Amount:                       | P0.50 per share regular cash dividend<br>P0.55 per share special cash dividend | Record Date:                | November 25, 2025    | Closing of Books:       | November 26 to 30, 2025           | Payment Date: | December 10, 2025 |
| Amount:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | P0.50 per share regular cash dividend<br>P0.55 per share special cash dividend                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                               |                                                                                |                             |                      |                         |                                   |               |                   |
| Record Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | November 25, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                               |                                                                                |                             |                      |                         |                                   |               |                   |
| Closing of Books:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | November 26 to 30, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                               |                                                                                |                             |                      |                         |                                   |               |                   |
| Payment Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | December 10, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                               |                                                                                |                             |                      |                         |                                   |               |                   |



The directors and Committee members were requested to return the accomplished forms and worksheets to the Office of the Compliance Officer on or before December 5, 2025.

4. The Board approved the dates for the 2026 Board of Directors' and Committee meetings, as well as the Annual Stockholders' Meeting (ASM) of the Company.

The ASM is scheduled for June 3, 2026, the first Wednesday of June, in accordance with the Company's By-laws. Stockholders who wish to propose the inclusion of additional items to the usual Agenda of the ASM and/or nominate candidates to the Board, may submit their proposals not later than January 31, 2026 to the Corporate Secretary at the 4<sup>th</sup> Floor, 100 E. Rodriguez Jr. Avenue (C-5 Road), Barangay Ugong, Pasig City 1604, Metro Manila, for the consideration of the Chairman and the appropriate Board Committees.

The quarterly regular Audit Committee and Board of Directors' meetings are scheduled for the first Wednesdays of March, May, August, and November 2026. The other Committees are scheduled to meet on or around the same dates as the said quarterly meetings in accordance with the Company's Manual on Corporate Governance.

**November 10, 2025**  
via SEC eFAST

[https://www.smfb.com.ph/files/reports/SMFB\\_SEC\\_Form\\_17-C\\_\(10Nov25%C2%A0Press\\_Rel ease\\_Q32025\).pdf](https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(10Nov25%C2%A0Press_Rel ease_Q32025).pdf)

Item 9. Other Events

Please see attached press release entitled **“SMFB nine-month profit up 11% on strong demand across units”**.

**December 11, 2025**  
via SEC eFAST

[https://www.smfb.com.ph/files/reports/SMFB\\_SEC\\_Form\\_17-C\(Certificates to CG Seminar held on December 5 2025\).pdf](https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C(Certificates to CG Seminar held on December 5 2025).pdf)

Item 9. Other Events

We advise that, in compliance with the Code of Corporate Governance for Publicly Listed Companies and the Manual on Corporate Governance of San Miguel Food and Beverage, Inc. (the “Company”), the following have attended a corporate governance training seminar conducted by Center for Global Best Practices on December 5, 2025, via Zoom.

| <b>Name</b>               | <b>Position</b>    |
|---------------------------|--------------------|
| 1. Mr. Ramos S. Ang       | Director, Chairman |
| 2. Ms. Aurora T. Calderon | Director           |

Attached are the copies of their Certificates of Attendance, which the Company received this afternoon.

**December 12, 2025**  
via SEC eFAST

[https://www.smfb.com.ph/files/reports/SMFB\\_SEC\\_Form\\_17-C\\_\(Certificates to CG Seminar held on December 5 2025 C MBerba\).pdf](https://www.smfb.com.ph/files/reports/SMFB_SEC_Form_17-C_(Certificates to CG Seminar held on December 5 2025 C MBerba).pdf)

Item 9. Other Events

We advise that, in compliance with the Code of Corporate Governance for Publicly Listed Companies and the Manual on Corporate Governance of San Miguel Food and Beverage, Inc. (the “Company”), Mr. Carlos Antonio M. Berba, Director and Chief Operating Officer of the Beer Division of the Company has attended the corporate governance seminar conducted by SGV & Co. on December 5, 2025 via Zoom.

Attached is a copy of Mr. Berba's Certificate of Attendance, which the Company received this afternoon.



# ANNEX H: SUSTAINABILITY REPORT

## Contextual Information

| COMPANY DETAILS                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of Organization                                                           | <b>SAN MIGUEL FOOD AND BEVERAGE, INC.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Location of Headquarters                                                       | 40 San Miguel Avenue, Mandaluyong City<br>1555 Metro Manila, Philippines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Location of Operations                                                         | <p>San Miguel Food and Beverage, Inc. (“SMFB” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) conduct business operations locally and internationally.</p> <p>The list of offices, production facilities, warehouses, and other facilities, including their locations, are detailed in SMFB’s 2025 Annual Report (SEC Form 17-A: Annex C – List of Properties)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Report Boundary: Legal entities, such as subsidiaries, included in this report | <p>This Report provides a comprehensive overview of the consolidated Environmental, Social, and Governance (ESG) performance of SMFB and its subsidiaries for the period from January 1, 2025 to December 31, 2025.</p> <p>It highlights sustainability performance indicators across SMFB’s operating divisions: San Miguel Brewery Inc. (SMB), Ginebra San Miguel Inc. (GSMI), and subsidiaries comprising the San Miguel Food group (SMF).</p> <p>The report also includes GSMI subsidiaries Distileria Bago, Inc., East Pacific Star Bottlers Phils Inc., and Agricrops Industries Inc., as well as SMF subsidiaries San Miguel Foods, Inc., San Miguel Mills, Inc., Magnolia Inc., and The Purefoods-Hormel Company, Inc.</p> <p>While SMFB’s products and brands enjoy a global presence, the scope of the Report is limited to the Group’s operations within the Philippines.</p> |
| Business Model, including Primary Activities, Brands, Products, and Services   | <p>SMFB is a leading food and beverage company in the Philippines, operating through three key divisions or segments: beer and non-alcoholic beverages under SMB, spirits through GSMI, and food and animal nutrition, pet care, and veterinary products under SMF.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        | <p>The Group's brands are among the most recognizable and market-leading in their respective categories. Its diverse portfolio includes <i>San Miguel Pale Pilsen</i>, <i>San Mig Light</i>, and <i>Red Horse</i> for beer; <i>Ginebra San Miguel</i> for gin; <i>Magnolia</i> for chicken, dairy, ice cream, flour mixes and salad aids, and <i>Timplados</i> for ready-to-cook chicken products. For fresh and processed meats, the Group offers <i>Monterey</i> for fresh and marinated meats; <i>Purefoods Tender Juicy</i> for hotdogs; <i>Purefoods</i> for other refrigerated and canned processed meats and prepared meals and seafood products. SMFB also caters to the growing demand for plant-based alternatives through <i>Veega</i>, while <i>Star</i> and <i>Dari Crème</i> remain household names in margarine. In animal nutrition, <i>B-MEG</i> continues to be a trusted brand for high-quality animal feeds, <i>NutriChunks</i>, <i>AlphaPro</i>, and <i>Majesty</i> for pet food and other products, and <i>San Miguel Animal Health Care</i> for veterinary products.</p> <p>With extensive distribution and dealer network, SMFB serves consumers across the Philippine archipelago and exports its products to approximately 70 markets worldwide.</p> |
| Reporting Period                                       | January 1, 2025 to December 31, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Highest-Ranking Individual Responsible for This Report | Monica L. Ang-Mercado<br><i>Chief Finance Officer</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## Materiality Process

Transparency and accountability remain central to SMFB's sustainability reporting, guiding how the Company communicates its environmental, social, and governance (ESG) performance and engages stakeholders.

The Company's current materiality framework is anchored on its 2022 materiality assessment, which continues to reflect the key ESG issues relevant to its operations and stakeholder expectations. This assessment was developed through a structured, multi-step process that included benchmarking against peer organizations and global ESG frameworks, stakeholder engagement, and validation by senior management of San Miguel Corporation (SMC). The resulting priority topics continue to inform SMFB's sustainability strategies and disclosures.

While a full reassessment was not undertaken in 2025, SMFB continues to review its material topics in light of evolving business conditions and external developments. This ongoing refinement supports the Company's transition toward more structured, risk-based sustainability disclosures, in line with SMC's broader adoption of IFRS S1 and S2. In preparation for this shift, SMFB is also aligning its disclosures with the Sustainability Accounting Standards Board (SASB) framework to enhance comparability and decision-usefulness for investors.

As SMFB strengthens its sustainability governance and reporting processes, it remains committed to ensuring that its materiality approach stays responsive, forward-looking, and aligned with emerging global standards.

## Key Stakeholders

SMFB's economic value directly benefits the following stakeholders:

1. Shareholders and Investors: Beneficiaries of financial growth and stable returns.
2. Government Bodies and Regulators: Agencies overseeing regulatory compliance, taxation, labor, and environmental standards.
3. Customers and Consumers: Retailers, wholesalers, foodservice providers, institutional accounts, and end-consumers purchasing SMFB products.
4. Suppliers and Vendors: Essential providers of raw materials, packaging, logistics, and other services.
5. Employees: Workforce contributing to company success and growth.
6. Local Communities: Recipients of employment opportunities and community development initiatives.
7. Financial Institutions and Creditors: Banks and other providers facilitating financial stability and growth through funding and financial services.
8. Media and Industry Groups: Entities influencing public perception and industry standards.
9. Business Partners: Distributors and dealers integral to market reach and operational success.

By strategically engaging its stakeholders, SMFB reinforces its commitment to economic sustainability and contributes to national development, supporting SMC's long-standing contribution to nation-building.

## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

| Disclosure <sup>1</sup>                                                                                | 2025    | 2024    | Units    |
|--------------------------------------------------------------------------------------------------------|---------|---------|----------|
| Direct economic value generated                                                                        | 422,720 | 404,679 | In M Php |
| Direct economic value distributed:                                                                     |         |         |          |
| a. Operating costs, including payments to suppliers                                                    | 218,462 | 215,863 | In M Php |
| b. Employee wages and benefits                                                                         | 18,420  | 16,807  | In M Php |
| c. Dividends given to stockholders and interest payments to loan providers                             | 36,448  | 36,684  | In M Php |
| d. Taxes paid to the government                                                                        | 121,774 | 112,893 | In M Php |
| e. Investments in various communities (e.g. donations, corporate social responsibility (CSR) programs) | 162     | 93      | In M Php |

<sup>1</sup> Figures can be cross-checked with the Company's 2025 Audited Financial Statements.

## Economic Impacts and Risks

SMFB plays a vital role in the Philippine economy, contributing to job creation, industry growth, and government revenues. Through its extensive manufacturing and distribution of food and beverage products, the Group generates economic value across multiple sectors while supporting long-term resilience.

A key measure of this contribution is the direct economic value generated and distributed, reflecting how revenues are allocated among stakeholders, including shareholders, employees, suppliers, government, and communities. This ensures that business growth translates into broad-based economic benefits.

The portion of value retained is reinvested to support ongoing operations, expansion, innovation, and operational resilience. SMFB remains committed to growing both the value it generates and the benefits it delivers to stakeholders.

In 2025, SMFB generated total economic value of P423 billion, distributing P395 billion (94%) and retaining P27 billion (6%) for reinvestment. The distribution is allocated across operating costs, employee wages and benefits, dividends and interest payments, taxes, and community investments.

| <b>Economic Value Component</b>                                         | <b>% of Total Economic Value Distributed</b> |
|-------------------------------------------------------------------------|----------------------------------------------|
| Operating costs, including payments to suppliers                        | 218,462                                      |
| Employee wages and benefits                                             | 18,420                                       |
| Dividends given to stockholders and interest payments to loan providers | 36,448                                       |
| Taxes paid to the government                                            | 121,774                                      |
| Investments in various communities (e.g., donations, CSR)               | 162                                          |

SMFB operates in a dynamic environment shaped by economic, financial, and regulatory factors. Changes in consumer demand, inflation, and purchasing power may influence buying behavior, while evolving preferences present opportunities for innovation and portfolio diversification.

Supply chain management remains a priority, as the Company is exposed to volatility in key agricultural commodities. Packaging materials and logistics services, driven by global price movements, climate-related disruptions, and geopolitical developments. The Group mitigates these risks through diversified sourcing strategies, supplier accreditation and engagement, disciplined inventory management, and long-term partnerships with key suppliers to enhance supply resilience and cost stability.

Financial risks, including interest rate and foreign exchange movements, are actively managed through prudent financial strategies. SMFB also remains compliant with evolving regulatory requirements, including trade, food safety, and environmental standards, integrating these into business planning.

Through proactive risk management and adaptability, SMFB continues to navigate uncertainties while delivering sustained value to stakeholders.

Further details on risk identification and mitigation are available in SMFB's 2025 SEC Form 17-

A.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, Employees, Local Communities, Financial Institutions and Creditors

### **Management Approach for Economic Impacts and Risks**

SMFB operates in a dynamic environment shaped by economic, regulatory, and market developments. To support resilience and long-term growth, the Group implements a comprehensive Enterprise Risk Management framework that identifies, assesses, and manages key economic and operational risks across its Beer and NAB, Spirits, and Food segments.

To remain competitive, SMFB continuously strengthens its product portfolio through innovation and investments in research and development, including premium and health-oriented offerings. Operational efficiency is supported by economies of scale and disciplined procurement practices.

SMFB manages supply chain risks through a combination of diversified sourcing, disciplined inventory management and supplier accreditation. The Group monitors commodity markets, climate-related risks, and geopolitical developments to inform procurement and operational planning. It seeks to strengthen supply chain resilience by enhancing demand forecasting, optimizing inventory levels, and expanding its supplier base where appropriate. SMFB promotes responsible sourcing practices, including efforts to avoid sourcing from areas associated with deforestation and to support traceability where feasible.

Supplier relationships are supported through accreditation processes and ongoing engagement to maintain quality, reliability, and compliance with regulatory and sustainability requirements. Long-term partnerships with key suppliers enhance supply continuity and provide opportunities to improve efficiency and cost stability.

Risk governance is embedded at all levels, with oversight from the Board Risk Oversight and Sustainability Committee, supported by the Audit Committee and Internal Audit functions. Robust internal controls address key risks, including natural disasters, disease outbreaks, and macroeconomic volatility. Further, the Company appointed a Chief Risk Officer in 2025.

Financial risks are managed through prudent strategies, including balance sheet discipline, optimized capital structure, and hedging, to mitigate interest rate, foreign exchange, and commodity price exposures.

SMFB also protects its intellectual property and leverages consumer insights to guide product development and strengthen brand equity. High product quality standards support customer trust and loyalty.

Complementing these efforts, the Group supports community and sustainability initiatives, reinforcing its commitment to responsible operations and long-term value creation.

## Opportunities and Management Approach

SMFB is well-positioned to capture opportunities that enhance economic impact and stakeholder value. Key priorities include product diversification and market expansion, with a focus on innovative offerings aligned with evolving consumer preferences, including health-oriented, premium, and specialty products.

To strengthen brand leadership, the Group continues to deepen consumer engagement and expand its distribution network, supported by localized marketing strategies and increased use of digital and e-commerce platforms to improve reach and accessibility.

Operational efficiency and sustainability remain core priorities. SMFB is advancing automation, digital integration, and process optimization, while investing in energy-efficient technologies, waste reduction, and responsible sourcing to manage costs and environmental impact.

The Group also continues to strengthen investor engagement through transparent disclosures and sound governance, while leveraging synergies within the SMC Group and exploring strategic partnerships and joint ventures to access new markets and technologies.

Through these initiatives, SMFB enhances its ability to navigate market uncertainties, drive growth, and deliver long-term value to stakeholders.

## Procurement Practices

### Proportion of Spending on Materials from Local Suppliers

| Disclosure                                                                                                     | 2025 | 2024 | Unit |
|----------------------------------------------------------------------------------------------------------------|------|------|------|
| Percentage of procurement budget used for significant locations of operations that is spent on local suppliers | 60   | 58   | %    |

The percentage of spending on locally sourced materials increased in 2025. This includes both domestic companies and local subsidiaries or offices of foreign firms operating in the Philippines. While SMFB supports domestic suppliers, certain key raw materials used in the production of food, beer, and alcohol for spirits are not available locally. Nevertheless, the Group continues to prioritize sourcing within the Philippines wherever feasible and when quality and pricing are competitive. SMFB also actively identifies opportunities to source other components of its production inputs locally, supporting agricultural communities and enhancing supply chain resilience.

## Impacts and Risks

SMFB operates in a dynamic and competitive landscape shaped by evolving economic conditions, regulatory frameworks, consumer preferences, and financial market trends. To support its nationwide operations, the Group relies on a strong and responsive supply chain. Wherever feasible, and when quality and pricing are competitive, SMFB prioritizes sourcing



materials locally. This supports small and medium-sized enterprises (SMEs), generates employment, and strengthens the resilience of local communities, while also reducing exposure to foreign exchange volatility and global supply chain disruptions.

At the same time, SMFB continues to navigate supply chain challenges. Volatility in raw material prices, driven by global market shifts, can affect input costs and operational planning. External factors such as shipping delays, geopolitical developments, and evolving regulatory requirements may also influence the availability and cost of imported ingredients. Ensuring supplier consistency in both quality and delivery timelines remains critical to maintaining seamless production. Meanwhile, broader economic factors like inflation and interest rate movements can place pressure on suppliers and impact overall supply chain resilience.

Through proactive planning, strategic sourcing, and continuous engagement with partners, SMFB strives to manage these challenges effectively while continuing to deliver quality products and contribute to sustainable economic growth.

Key Stakeholders Affected: Shareholders and Investors, Suppliers and Vendors, Customers and Consumers, Employees, and Local Communities

### **Management Approach for Impacts and Risks**

SMFB manages supply chain risks through a combination of strategic sourcing, supplier engagement, and operational efficiency initiatives. The Group adopts a balanced procurement approach, sourcing both locally and internationally to mitigate single-source dependency while maintaining cost competitiveness and supply reliability.

Supplier evaluation and risk management are integral to maintaining quality and consistency. SMFB implements rigorous accreditation processes and performance monitoring systems, supported by food safety standards such as the Hazard Analysis and Critical Control Points (HACCP), to ensure that suppliers meet required quality and delivery standards.

To strengthen supply chain resilience, SMFB actively supports the development of local agricultural supply chains. Programs such as San Miguel Foods' (SMF) cassava assembler initiative provide farmers with guaranteed market access, technical assistance, and stable pricing, while helping diversify raw material inputs. The Group also engages with corn farmers and cooperatives, improving productivity, enhancing market access, and enabling more efficient payment cycles. These initiatives reduce reliance on imported inputs while strengthening local economies and mitigating currency and supply risks.

For key raw materials with potential deforestation exposure, including soybean meal, beef, dairy, and palm oil, the Company has begun requiring suppliers to provide certifications or documentation supporting sustainable sourcing practices. This forms part of its broader approach to managing supply chain risks related to environmental impacts, regulatory developments, and stakeholder expectations.

In managing financial and market exposures, SMFB employs strategic measures such as long-term supplier agreements, bulk purchasing, and hedging instruments where appropriate. The Group also invests in digital procurement platforms and data-driven systems to enhance forecasting accuracy, streamline sourcing processes, and improve overall supply chain visibility.

Through these integrated approaches, SMFB enhances operational resilience, maintains product quality, and ensures a stable and efficient supply of key raw materials.

## Opportunities and Management Approach

SMFB continues to enhance its procurement strategy by deepening local sourcing and strengthening relationships across its supply chain. The Group sees opportunities in expanding its local agricultural programs, further supporting local farms while improving supply stability and cost efficiency.

Building on its existing initiatives, SMFB aims to scale programs such as cassava sourcing by increasing farmer participation, improving yields, and enhancing supply chain integration. These efforts contribute to a more sustainable and inclusive agricultural ecosystem while securing long-term raw material availability.

The Group also continues to invest in digital procurement and analytics capabilities to optimize sourcing decisions, improve supplier collaboration, and enhance operational efficiency. By leveraging data insights, SMFB is better positioned to manage cost fluctuations, anticipate supply risks, and respond to changing market conditions.

At the same time, SMFB will continue to refine its sourcing strategies by balancing local and global procurement when feasible, ensuring flexibility and resilience in an evolving supply environment.

Through these initiatives, SMFB reinforces its commitment to supply chain resilience, local economic development, and sustainable value creation for its stakeholders.

### Anti-Corruption

#### Training on Anti-corruption Policies and Procedures<sup>1</sup>

SMFB provides regular training on anti-corruption policies to reinforce ethical standards, compliance, and proper reporting. These initiatives support a culture of integrity and accountability across the organization.

| Disclosure                                                                                                                   | 2025 | 2024 | Unit |
|------------------------------------------------------------------------------------------------------------------------------|------|------|------|
| Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to         | 100  | 100  | %    |
| Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to | 100  | 100  | %    |

|                                                                                                 |     |     |   |
|-------------------------------------------------------------------------------------------------|-----|-----|---|
| Percentage of directors and management that have received anti-corruption training <sup>2</sup> | 100 | 100 | % |
| Percentage of employees that have received anti-corruption training <sup>3</sup>                | 100 | 100 | % |

<sup>1</sup> SMFB's Anti-Corruption and Sanctions Compliance Policy as well as the Code of Business Conduct and Ethics, which includes anti-corruption policies, apply to all employees and business partners.

<sup>2</sup> SMFB directors and management separately attended Corporate Governance Seminars in 2025. Topics covered were: Overview of Corporate Governance, Cybersecurity, Anti-Bribery and Anti-Corruption and Customer Experience is Not Optional, It is Essential

<sup>3</sup> SMFB adopted an Anti-Corruption and Sanctions Compliance Policy in 2023. This Policy as well as the Code of Business Conduct and Ethics, which covers anti-corruption policies, have been cascaded to all employees of the organization.

In 2025, SMFB ensured the full implementation and communication of its Anti-Corruption and Sanctions Compliance Policy and the Code of Business Conduct and Ethics ("Anti-Corruption Policies"), which apply to all employees and business partners. The policies were cascaded organization-wide to promote a consistent standard of ethical conduct.

All directors and members of management attended Corporate Governance Seminars, while employees received anti-corruption training to strengthen awareness, accountability, and the ability to identify and address corruption-related risks.

#### Incidents of Corruption<sup>1</sup>

| Disclosure                                                                                                | 2025 | 2024 | Unit  |
|-----------------------------------------------------------------------------------------------------------|------|------|-------|
| Number of incidents in which directors were removed or dismissed for corruption                           | 0    | 0    | Count |
| Number of incidents in which employees were dismissed or disciplined for corruption                       | 0    | 0    | Count |
| Number of incidents where contracts with business partners were terminated due to incidents of corruption | 0    | 0    | Count |

<sup>1</sup> SMFB is not involved in any current proceeding, litigation, claim, or arbitration that would materially affect its financial position or those of its subsidiaries or affiliates.

SMFB reported zero incidents of corruption in 2024 and 2025. No directors or employees were removed or disciplined for corruption, and no contracts with business partners were terminated due to such incidents. The Company was not involved in any proceeding, litigation, claim, or arbitration that could materially affect its financial position.

## Impacts and Risks

SMFB recognizes that corruption poses risks to business integrity, stakeholder trust, and long-term value creation. Left unaddressed, it can affect the reputation and operational efficiency of the Company and expose it to legal and regulatory consequences.

The Company maintains a strong zero-tolerance policy against bribery and unethical behavior and is committed to upholding integrity and transparency across all levels of the organization.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, Employees, Local Communities, Financial Institutions and Creditors, and the Media and Industry Groups

## Management Approach for Impacts and Risks

As a subsidiary of SMC, SMFB is committed to the value of *Malasakit*, emphasizing integrity, accountability, and fairness in all aspects of its operations. The Company enforces zero tolerance against corruption, bribery, money laundering, and sanctions violations, as outlined in its Anti-Corruption Policies.

SMFB implements regular anti-corruption training for employees, management, directors, and stakeholders, supported by onboarding and refresher programs. Confidential whistleblowing and grievance channels are in place to enable reporting and ensure proper investigation.

The Company conducts due diligence on third-party relationships and clearly communicates expectations on ethical conduct. Contracts entered by the Food segment require the other party to comply with the Company's Code of Business Conduct and Ethics.

The Board of Directors provides oversight through regular reviews of compliance and governance practices, supported by internal controls and monitoring mechanisms.

Clear disciplinary measures are enforced for violations, including termination and legal action when applicable.

Through these measures, SMFB strengthens transparency, mitigates corruption risks, and promotes a culture of ethical conduct.

## Opportunities and Management Approach

SMFB periodically reviews its Anti-Corruption Policies to ensure continued relevance and effectiveness. This enables the Company to strengthen controls, enhance training programs, and improve awareness initiatives.

The Company also continues to enhance reporting channels, ensuring employees, suppliers, business partners, and other stakeholders can raise concerns confidentially and without fear of retaliation, further reinforcing a culture of integrity across the organization.

Further details and resources on SMFB's governance policies can be accessed on the Company's website as follows:

Anti-Corruption and Sanctions Compliance Policy

<https://www.smfb.com.ph/files/reports/SMFB Anti-Corruption and Sanctions Policy .pdf>

Code of Business Conduct and Ethics

<https://www.smfb.com.ph/files/reports/SMFB Code of Business Conduct and Ethics 3.pdf>

Manual on Corporate Governance

<https://www.smfb.com.ph/files/reports/SMFB Manual on Corporate Governance approved on August 6, 2025.pdf>

Policy on Conflict of Interest

<https://www.smfb.com.ph/files/reports/Conflict of Interest.pdf>

Policy on Securities Dealing

<https://www.smfb.com.ph/files/reports/Policy on Securities Dealing.pdf>

Policy on Related Party Transactions

<https://www.smfb.com.ph/files/reports/SMFB Related Party Transactions Policy.pdf>

Group Policy on Solicitation or Acceptance of Gifts

<https://www.smfb.com.ph/files/reports/Group Policy on Solicitation or Acceptance of Gifts.pdf>

Whistleblowing Policy

<https://www.smfb.com.ph/files/reports/SMFB Amended Whistleblowing Policy.pdf>

## ENVIRONMENT

### Resource Management

#### Energy Consumption Within the Organization

| Disclosure                                                          | 2025         | 2024         | Unit            |
|---------------------------------------------------------------------|--------------|--------------|-----------------|
| Energy consumption (renewable sources)                              | 723,270.61   | 660,202.91   | Gigajoules (GJ) |
| Energy consumption (non-renewable)                                  | 3,580,567.46 | 3,950,571.41 | GJ              |
| Energy consumption (electricity, heating, cooling, steam purchased) | 1,888,706.52 | 1,866,189.65 | GJ              |
| Self-generated energy which is not consumed                         | 622.99       | 906.42       | GJ              |
| Sold energy (electricity, heating, cooling, steam)                  | 5,206.31     | 5,319.83     | GJ              |
| Net energy consumption                                              | 6,187,961.27 | 6,472,550.56 | GJ              |

In 2025, SMFB's total net energy consumption reached 6,187,961 GJ, reflecting a 4.4% decline from the previous year, despite continued production and operational expansion across its business units.

The Group continued its gradual shift toward lower carbon energy, with renewable energy consumption rising to 723,271 GJ, up 9.6% from 2024. GSML remained the largest contributor, driven by use of biogas and solar energy in its manufacturing facilities. One SMF facility used rice hulls as fuel for its boiler, also contributing to higher renewable energy use.

Non-renewable energy consumption decreased to 3,580,567 GJ, down 9.4%, reflecting more efficient use of coal in boilers, and ongoing efficiency initiatives such as a shift to electric-powered forklifts, and other equipment upgrades. While conventional fuels remain essential to support

production, these efforts demonstrate a balanced approach toward optimizing energy use while maintaining operational reliability.

Purchased energy increased slightly to 1,888,707 GJ, up 1.2%, with SMF accounting for the largest share, in line with the continued expansion of its operational sites and higher utilization of new production facilities.

Overall, while renewable energy remains a modest portion of the total mix, SMFB continues to make steady progress through targeted investments in efficiency, infrastructure upgrades, and enhanced energy management systems.

#### Reduction in Energy Consumption

| Disclosure               | 2025    | 2024    | Unit |
|--------------------------|---------|---------|------|
| Fuel reduction           | 67,701  | 60,936  | GJ   |
| Electricity reduction    | 37,892  | 41,934  | GJ   |
| Energy reduction (total) | 105,593 | 102,870 | GJ   |

In 2025, SMFB achieved total energy savings of 105,593 GJ, a 2.6% increase from 102,870 GJ in the previous year, reflecting the continued impact of fuel-saving measures and electricity efficiency initiatives across its business units.

Fuel reduction increased to 67,701 GJ, up 11.1% from 60,936 GJ in 2024, driven by ongoing optimization of fuel use and process improvements. In contrast, electricity reduction declined to 37,892 GJ, down 9.6% from 41,934 GJ in 2024.

Across the Group, initiatives such as equipment upgrades, process optimization, and enhanced energy monitoring systems continued to support efficiency improvements without compromising operational output.

Overall, these results underscore SMFB's sustained focus on operational efficiency and responsible energy management, with consistent savings achieved across business units.

#### Impacts and Risks

Energy remains a critical component of SMFB's operations, with demand increasing alongside business growth. The Group continues to rely primarily on non-renewable energy sources, including grid electricity and fossil fuels, to power its facilities nationwide, with the exception of

Distileria Bago, Inc. (DBI), which can access renewable energy from a sister company, San Miguel Global Power (SMGP).

Most facilities depend on electricity sourced from the national grid, which is largely coal-powered, as well as diesel for backup power and transportation. While this contributes to environmental challenges, the Group is positioned to benefit from the gradual transition to renewable energy as SMGP expands its hydroelectric and solar capacity, in line with national targets of at least 35% renewable energy by 2030 and 50% by 2040.

Beyond environmental considerations, energy use presents opportunities for cost management and operational efficiency. While fluctuations in fuel and electricity prices can affect production costs, they also drive initiatives to improve energy efficiency and optimize consumption. Managing energy use and exploring sustainable alternatives remain key to mitigating risks while supporting long-term business resilience.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Employees, and Local Communities

### **Management Approach for Impacts and Risks**

As a subsidiary of SMC, SMFB adopts established Environment Management Systems to manage energy use across its operations. The Group continues to implement energy efficiency initiatives aimed at reducing consumption while maintaining operational performance.

Key measures include the transition to LED lighting, which significantly reduces energy use and extends equipment life, and investments in more energy-efficient machinery and production processes. For example, GSMI installed a biogas dryer in its distillery which improved biogas quality, while DBI enhanced its fermentation processes to increase yield and efficiency.

Across brewery operations, system-wide upgrades have been implemented, especially in key process areas, including improvements in equipment, utilities, and cooling systems to enhance overall energy performance. The Food group also implemented energy efficiency initiatives across its operations, including improvements in fuel use, process optimization, and the adoption of more efficient equipment and systems.

Operational footprint optimization further supports efficiency. Strategically located facilities reduce transport requirements, helping lower both costs and emissions. At the same time, solar panels have been installed in selected sites to supplement energy requirements.

SMFB continues to strengthen its energy management practices in line with Republic Act No. 11285 (Energy Efficiency and Conservation Act), which supports national energy security and efficiency objectives. Efforts are focused on aligning operations with the ISO 50001 Energy Management System standard, enabling business units to systematically identify opportunities to reduce energy consumption, improve operational performance, and manage energy-related costs.

In 2025, three B-MEG feed plants achieved ISO 50001:2018 certification. The updated standard places greater emphasis on leadership accountability and the integration of energy management system into overall business operations.



SMB also advanced the implementation of its energy management system by establishing a formal policy, appointing an Energy Director, and organizing facility-level energy teams across its breweries. A total of 104 personnel underwent ISO 50001-based training, with a phased approach to certification beginning with pilot facilities.

Through these initiatives, the Company continues to align its energy management practices with the National Energy Efficiency and Conservation Plan (NEE&C) 2023–2050, contributing to improved operational efficiency, cost discipline, and near-term emissions reduction.

### Opportunities and Management Approach

SMFB continues to assess opportunities to improve energy efficiency and reduce reliance on non-renewable sources. This includes ongoing investments in energy-efficient equipment, process improvements, and enhanced monitoring systems.

The Group is also evaluating initiatives such as co-locating operations and optimizing supply chain routes to improve overall efficiency. In parallel, SMFB plans to expand use of renewable energy sources, including solar power, as part of its longer-term transition toward a more sustainable energy mix.

### Water Consumption Within the Organization

| Disclosure       | 2025   | 2024 <sup>1</sup> | Units            |
|------------------|--------|-------------------|------------------|
| Water withdrawal | 18,097 | 17,707            | Mega Liters (ML) |
| Surface water    | 1,426  | 1,176             | ML               |
| Groundwater      | 14,426 | 14,078            | ML               |
| Seawater         | 0      | 0                 | ML               |
| Rainwater        | 10     | 5                 | ML               |
| Produced water   | 45     | 40.22             | ML               |

|                                      |        |        |    |
|--------------------------------------|--------|--------|----|
| Third-party water                    | 2,190  | 2,407  | ML |
| Water discharged                     | 13,137 | 11,896 | ML |
| Stored water                         | 1.63   | (1.36) | ML |
| Total water consumption              | 4,962  | 5,810  | ML |
| Water recycled and reused            | 544    | 694    | ML |
| Percentage water recycled and reused | 3.0    | 3.9    | %  |

<sup>1</sup> Some figures have been updated to reflect improved accuracy.

In 2025, SMFB recorded total water withdrawal of 18,097 megaliters (ML), up 2.2% from 17,707 ML in 2024, reflecting continued production requirements across its business units. Groundwater remained the primary source at 14,426 ML, followed by third-party water at 2,190 ML and surface water at 1,426 ML, with smaller contributions from rainwater and produced water.

Water discharge increased to 13,137 ML from 11,896 ML in 2024, in line with higher withdrawal levels. Total water consumption declined to 4,962 ML, from 5,810 ML in the prior year, indicating improved efficiency in water use.

Water recycled and reused in 2025 was 544 ML, equivalent to 3.0% of total withdrawal, compared to 694 ML or 3.9% in 2024. While lower year-on-year, the Group continues to implement water conservation and reuse initiatives across its operations.

### Impacts and Risks

Water is a crucial resource for SMFB's operations, supporting manufacturing processes and serving as a key input in several products. Ensuring sustainability and future availability of water supply is essential to managing potential impacts on cost, production continuity, and product availability.

Water is used across operations for production, maintenance, and domestic requirements, with a significant portion treated and discharged back to the environment. As operations expand, water demand may increase, heightening the importance of efficient use and responsible management.

Key risks include the availability of sufficient water supply and potential increases in water costs. The Group primarily sources water from deep wells and utility providers, exposing it to regulatory restrictions on groundwater use and price fluctuations, which could affect operating costs and overall business performance.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Suppliers and Vendors, Employees, Local Communities

### **Management Approach for Impacts and Risks**

SMFB continues to implement SMC's *Water for All* program, reinforcing its commitment to responsible water management through conservation, efficiency, and innovation. Several facilities have already exceeded or are approaching targeted reductions in water use relative to production output.

The Group adopts a structured approach to water management, anchored on monitoring, efficiency, improvements, and reuse. This includes regular upgrades of metering systems, installation of sub-meters, and proactive leak detection and repair to minimize water losses.

Water reuse and recycling remain key focus areas. Wastewater treatment systems are optimized to enable the use of treated water for non-potable applications such as utilities and irrigation. In parallel, the Group continues to expand initiatives on rainwater collection, wastewater recovery, and the use of alternative water sources where feasible.

These efforts have supported improved water efficiency, as reflected in lower overall consumption despite increased withdrawal. SMFB also works closely with stakeholders and local communities to promote responsible water use and strengthen water stewardship across its operations.

### **Opportunities and Management Approach**

SMFB continues to identify opportunities to further improve water efficiency and strengthen resource sustainability. Key focus areas include expanding water reuse and recycling initiatives, improving process efficiency, and enhancing monitoring systems.

The Group is also exploring initiatives such as ground water recharge and expanded rainwater harvesting to support long-term water availability. Ongoing assessments of water consumption and quality trends help identify additional opportunities to optimize usage and reduce reliance on freshwater sources.

Through these initiatives, SMFB aims to enhance operational efficiency while supporting long-term water sustainability across its operations.

## Materials Used by the Organization

| Disclosure                                                 | 2025             | 2024             | Units                   |
|------------------------------------------------------------|------------------|------------------|-------------------------|
| <b>Materials by weight or volume</b>                       | <b>6,071,397</b> | <b>5,985,417</b> | <b>Metric Tons (MT)</b> |
| Renewable materials used                                   | 5,684,107        | 5,594,325        | MT                      |
| Non-renewable materials used                               | 387,290          | 391,092          | MT                      |
| Percentage of renewable materials used                     | 93.6             | 93.5             | %                       |
| Recycled                                                   | 141,961          | 124,320          | MT                      |
| Percentage of recycled input materials used to manufacture | 2.3              | 2.1              | %                       |

In 2025, SMFB's total material usage increased to 6,071,397 metric tons (MT), up by just 1.4% from 5,985,417 MT in 2024, despite stronger overall volume growth, with the Food business delivering particularly strong volume expansion across several categories.

Renewable materials, primarily agricultural commodities, glass bottles, plastic crates and pallets, and reusable packaging, rose to 5,684,107 MT, accounting for 93.6% of total materials used, slightly higher than 93.5% in 2024. Non-renewable materials declined to 387,290 MT, reflecting ongoing efforts to optimize resource use.

Recycled input materials increased to 141,961 MT, equivalent to 2.3% of total materials used, up from 124,320 MT or 2.1% in 2024. It is worth noting that, in line with GRI Standards, reused packaging and process by-products (e.g., glass bottles, spent grains, and rendered organic materials) are not recognized as recycled input materials. These are instead accounted for as waste diverted from disposal through reuse and recovery pathways.

## Impacts and Risks

Efficient use of raw materials is critical to both environmental sustainability and cost management, given their significant contribution to the Group's operating expenses.

SMFB remains exposed to supply-related risks, including volatility in global commodity prices and potential disruptions arising from weather conditions, disease outbreaks, geopolitical developments, and regulatory changes. Renewable materials, particularly agricultural inputs, are subject to climate variability and seasonality, while non-renewable materials, primarily from packaging inputs, face longer-term supply risks related to resource constraints and price fluctuations.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Suppliers and Vendors, Employees, and Local Communities

## Management Approach to Impacts and Risks

SMFB adopts a comprehensive approach to resource efficiency, circularity, and supply chain resilience. Across its business units, the Group continues to optimize material use through process improvements, technological upgrades, and the integration of circular economy practices.

The Food group leverages advanced production systems to improve efficiency and reduce waste, such as the processing of poultry manure into organic fertilizer for the use of corn and cassava farmers who sell their produce to SMFI. In packaging, SMB and GSMI continue to strengthen bottle return-and-reuse systems, extending the lifecycle of returnable glass bottles and reducing the need for new raw materials. Broken and recovered glass is also recycled into new packaging materials within the SMC Group, supporting a closed-loop system.

Operational waste for disposal is further minimized through the repurpose of by-products, such as spent grains and yeast, and poultry offal and feathers for use in animal feeds. These initiatives reduce reliance on virgin materials while reducing cost and enhancing overall resource efficiency.

SMFB also diversifies its sourcing strategies and explores alternative inputs to improve sustainability. This includes the use of cassava as a partial substitute for corn in feeds, the evaluation of alternative brewing inputs, and strategic sourcing of alcohol across both local and international suppliers.

Subsidiaries of SMFB engaged in the food and spirits businesses are classified as obliged enterprises under Republic Act No. 11898, or the Extended Producer Responsibility (EPR) Act. In 2025, these entities reported a combined plastic footprint of 12,860 metric tons (MT), comprising 81% flexible plastics and 19% rigid plastics. In compliance with regulatory requirements, 50.3% of this footprint, equivalent to 6,467 MT, was recovered. Of the total recovered volume, 19% was recycled into new plastic products, while 81% was diverted through co-processing as alternative fuel in cement kilns. Compliance was achieved through partnerships with accredited waste diversion organizations, with recovery and processing volumes independently verified in accordance with EPR reporting and audit requirements.

Through these initiatives, SMFB strengthens material efficiency, reduces environmental impact, and supports long-term business operational resilience.

## Opportunities and Management Approach

SMFB continues to enhance its use of sustainable materials by increasing the share of renewable and recycled inputs and improving resource efficiency across its operations.

Key opportunities include expanding circular practices, strengthening supplier collaboration, and investing in research and development for more sustainable packaging solutions, including recyclable and lower-impact materials.

The Group also aims to deepen integration within the SMC ecosystem to maximize by-product reuse and improve overall resource efficiency. Through these efforts, SMFB supports the transition toward a more circular and sustainable materials management approach while maintaining product quality and operational performance.

### Ecosystems and Biodiversity

| Disclosure                                                                                                                                                  | 2025  | 2024  | Units        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|--------------|
| Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas                   | 2     | 2     | Count        |
| Habitats protected or restored                                                                                                                              | 1,717 | 1,717 | Hectares     |
| International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats in areas affected by operations | 3     | 3     | Species type |

## Impacts and Risks

Two SMFB facilities are located in biodiversity-sensitive areas identified by the DENR, highlighting potential environmental risks associated with their operations.

GSMI's subsidiary, DBI, operates along the coastline of Guimaras where improper management of wastewater and emissions could affect water quality in the Guimaras Strait and surrounding marine ecosystems.

In Bukidnon, the B-MEG feed mill is situated near the Center for Ecological Development and Recreation (CEDAR), a protected ecological and reforestation site. Its proximity presents potential risks to local biodiversity if not properly managed.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Employees, and Local Communities

### **Management Approach to Impacts and Risks**

SMFB manages biodiversity-related risks through strict compliance with DENR regulations, including adherence to effluent standards to minimize environmental impact.

In Guimaras, GSMI supports coastal biodiversity through a 12-hectare mangrove reforestation program with a high survival rate, complemented by regular tree-planting, coastal clean-ups, and shoreline monitoring in partnership with local stakeholders.

In Bukidnon, SMFI works closely with the DENR and local government units to ensure that operations near CEDAR remain aligned with environmental safeguards and conservation efforts.

Across its operations, SMFB integrates biodiversity considerations into its sustainability initiatives, including habitat preservation, reforestation, and responsible site management in environmentally sensitive areas.

### **Opportunities and Management Approach**

SMFB continues to identify opportunities to strengthen biodiversity conservation across its operations. These include expanding mangrove reforestation efforts in Guimaras, developing site-specific biodiversity action plans in Bukidnon, and enhancing collaboration with environmental experts and local communities.

At the Group level, there is potential to further integrate biodiversity considerations into risk assessment, land use planning, and supply chain practices. Initiatives such as reforestation, watershed rehabilitation, and sustainable sourcing can further support ecosystem protection.

Through these efforts, SMFB aims to enhance its contribution to ecosystem conservation while strengthening long-term environmental resilience.

## Environmental Impact

### Air Emissions

#### GHG

| Disclosure                              | 2025    | 2024    | Unit                                             |
|-----------------------------------------|---------|---------|--------------------------------------------------|
| Direct (Scope 1) GHG Emissions          | 290,837 | 306,901 | MT carbon dioxide equivalent (CO <sub>2</sub> e) |
| Energy indirect (Scope 2) GHG Emissions | 374,255 | 368,806 | MT CO <sub>2</sub> e                             |
| Total Scope 1 and Scope 2 GHG Emissions | 665,092 | 675,706 | MT CO <sub>2</sub> e                             |

In 2025, SMFB's GHG emissions totaled 665,092 MT CO<sub>2</sub>e, slightly lower than in 2024. The decline reflects improvements in energy efficiency and ongoing optimization across operations, partially offset by increased electricity use to support production requirements.

Emissions from SMB and SMF continued to track business activity and production levels, while GSMI's emissions remained relatively lower, largely driven by distillery operations and logistics-related fuel use.

The increase in Scope 2 emissions highlights continued reliance on grid electricity, while also underscoring opportunities to further enhance energy efficiency and expand the use of cleaner energy sources.

### Impacts and Risks

SMFB's GHG emissions primarily arise from energy consumption and fuel use across its Beer and NAB, Spirits, and Food operations. Electricity use in production facilities remains a key driver of Scope 2 emissions, reflecting continued reliance on a carbon-intensive grid. At the same time, the use of diesel for logistics and backup power, and coal for boilers, contributes to Scope 1 emissions, exposing the Group to fuel price volatility and potential regulatory constraints.

While overall emissions declined in 2025, the increase in Scope 2 emissions highlights ongoing exposure to grid electricity. In the Food segment, agricultural activities also contribute to emissions through methane and nitrous oxide from poultry operations, with ongoing efforts to quantify and manage these sources.



Across the value chain, Scope 3 emissions, including those from suppliers, packaging, and third-party logistics, present additional risks as stakeholders demand greater transparency and accountability.

Key Stakeholders Affected: Stakeholders and Investors, Government Bodies and Regulators, Suppliers and Vendors, Customers and Consumers, Employees, Local Communities, Financial Institutions and Creditors, and Media and Industry Groups

### **Management Approach to Impacts and Risks**

SMFB manages GHG emissions through a combination of energy efficiency, operational optimization, and gradual integration of cleaner energy sources. Emissions are primarily driven by electricity and fuel use across production and logistics and are monitored under an Environmental Management System aligned with the GHG Protocol.

Energy efficiency remains a key lever, with initiatives across facilities focused on improving process efficiency and reducing fuel consumption. The Group also continues to strengthen circular practices, including bottle recovery and reuse programs, which help reduce emissions associated with energy-intensive packaging production. In GSML, biogenic CO<sub>2</sub> from fermentation is captured and reused, further reducing emissions.

To address longer-term risks, SMFB has begun integrating renewable energy sources such as solar and biogas in select facilities. These efforts support the gradual shift away from fossil fuels while maintaining operational reliability.

Governance is supported by Board-level oversight and alignment with SMC's broader sustainability agenda, including its net-zero target by 2050. Data collection and reporting are centralized and aligned with global standards, enabling consistent monitoring and informed decision-making.

### **Opportunities and Management Approach**

SMFB continues to identify opportunities to reduce emissions and improve energy performance across its operations. Key priorities include enhancing energy efficiency in high-consumption processes, expanding the use of renewable energy, and strengthening circular packaging systems.

The Group is also exploring the broader application of solar and biogas solutions, as well as improvements in process design and equipment efficiency to reduce both electricity and fuel use. Strengthening partnerships across the value chain, particularly in packaging and logistics, presents further opportunities to manage Scope 3 emissions.

Through these initiatives, SMFB aims to progressively reduce its carbon footprint while supporting operational efficiency, regulatory readiness, and long-term resilience.

## Air Pollutants

| Disclosure              | 2025 | 2024  | Unit |
|-------------------------|------|-------|------|
| Nitrogen Oxides (NOx)   | 171  | 188   | MT   |
| Sulfur Oxides (SOx)     | 804  | 1,326 | MT   |
| Particulate Matter (PM) | 96   | 73    | MT   |
| Carbon Monoxide (CO)    | 145  | 230   | MT   |

Air pollution management remains a key environmental priority for SMFB, given the use of boilers, generator sets, and other combustion-based equipment across its Beer and NAB, Spirits, and Food segments. The Group ensures that emissions are managed in accordance with DENR standards, with business units implementing operational controls to minimize pollutants and maintain air quality in host communities.

In 2025, SMFB recorded overall improvements in key air pollutant emissions, reflecting better combustion efficiency and strengthened emission control measures. While most pollutants declined year-on-year, particulate matter increased, largely in line with production requirements.

Persistent organic pollutants (POPs), volatile organic compounds (VOCs), and hazardous air pollutants (HAPs) are currently not being monitored. SMFB continues to assess opportunities to expand its monitoring scope in line with evolving regulatory requirements and industry practices.

### Impacts and Risks

SMFB faces environmental risks related to air quality arising from fuel combustion across its Beer and NAB, Spirits, and Food operations. The use of boilers, generator sets, and other equipment contributes to emissions of key pollutants such as Nitrogen Oxide (NOx), Sulfur Oxide (SOx), Carbon Monoxide (CO), and particulate matter (PM).

While most emissions showed improvement in 2025, the increase in PM highlights the ongoing impact of production activity and the need for sustained controls. The Group remains exposed to regulatory risks, as DENR standards impose strict emission limits, with potential penalties, operational constraints, or reputational impact in cases of non-compliance.

As stakeholder expectations on environmental performance continue to rise, effective air emissions management remains critical to maintaining trust, ensuring regulatory compliance, and supporting long-term competitiveness.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Suppliers and Vendors, Employees, and Local Communities

### **Management Approach to Impacts and Risks**

SMFB manages air emissions through a systems-based approach integrated into its Environmental Management System, aligned with DENR standards and SMC's sustainability framework. Emissions from combustion processes are monitored through regular testing and compliance audits to ensure adherence to regulatory limits and to identify opportunities for improvement.

Operational measures focus on improving combustion efficiency, maintaining equipment, and implementing appropriate emission control systems. Routine maintenance practices, including boiler optimization and equipment inspections, support the reduction of pollutants and sustain performance across facilities.

The Group also pursues initiatives that contribute to emissions reduction, including the use of biogas in select facilities and the recovery and reuse of by-products such as biogenic CO<sub>2</sub>. These efforts support both emissions management and resource efficiency.

Through these measures, SMFB continues to improve emissions performance while maintaining operational reliability and compliance.

### **Opportunities and Management Approach**

SMFB continues to identify opportunities to further reduce air pollutants through improvements in energy efficiency, fuel optimization, and cleaner technologies.

Key areas of focus include expanding the use of alternative energy sources such as biogas, enhancing combustion systems, and strengthening monitoring capabilities across facilities. These initiatives support ongoing reductions in emissions and improved environmental performance.

At the same time, the Group continues to assess opportunities to enhance its monitoring framework and align with evolving regulatory and industry expectations.

Through these efforts, SMFB aims to sustain improvements in air quality management while supporting operational efficiency and long-term environmental resilience.

## Solid and Hazardous Wastes

### Solid Waste

| Disclosure                             | 2025    | 2024    | Unit |
|----------------------------------------|---------|---------|------|
| Total solid waste generated            | 275,605 | 260,133 | MT   |
| Reused                                 | 1,048   | 2,576   | MT   |
| Recycled                               | 186,665 | 214,057 | MT   |
| Other recovery operations              | 13,734  | 7,481   | MT   |
| Incineration (with energy recovery)    | 0.70    | 2.03    | MT   |
| Incineration (without energy recovery) | 0       | 0       | MT   |
| Landfilling                            | 27,341  | 25,017  | MT   |
| Other disposal operations              | 46,816  | 11,001  | MT   |

In 2025, SMFB generated a total of 275,605 MT of solid waste, up 5.9% from 260,133 MT in 2024, reflecting higher production activity across its business units.

Recycled waste remained the largest component at 186,665 MT, although lower than the previous year, while waste diverted through other recovery operations increased to 13,734 MT, indicating continued efforts to expand recovery pathways. Reused waste declined to 1,048 MT, and incineration with energy recovery remained minimal.

Landfilled waste rose to 27,341 MT, alongside an increase in other disposal methods to 46,816 MT, reflecting changes in waste composition and operational requirements during the year.

Overall, while total waste generation increased, SMFB continues to prioritize recycling and recovery initiatives as part of its broader commitment to responsible waste management and resource efficiency.

## Impacts and Risks

SMFB faces environmental and operational risks associated with solid waste generated across its Beer and NAB, Spirits, and Food operations. As production expands, waste generation has increased, raising the need for effective management to mitigate environmental impact and regulatory exposure.

While recycling remains the primary waste management pathway, increases in landfill and other disposal methods highlight ongoing challenges in waste diversion and changing waste composition. The Group is also subject to regulatory requirements, including the Ecological Solid Waste Management Act and the Extended Producer Responsibility (EPR) Act, which impose stricter obligations on waste handling and post-consumer recovery.

Inefficient waste management may lead to higher disposal costs, underutilization of recoverable materials, and potential reputational risks, particularly as stakeholder expectations on sustainability continue to rise.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Employees, and Local Communities

## Management Approach to Impacts and Risks

SMFB implements an integrated waste management approach aligned with SMC's sustainability and circular economy strategy. Waste management is embedded within the Group's Environmental Management System, ensuring proper segregation, handling, and disposal in compliance with DENR standards.

The Group prioritizes recycling and recovery, with initiatives focused on reducing landfill reliance and maximizing the reuse of by-products. Across business units, production waste is repurposed where feasible—for example, brewery by-products and poultry processing materials are reused in animal feed, which supports closed-loop practices and reduces disposal volumes.

Compliance with the EPR Act further strengthens efforts to manage post-consumer waste, particularly plastics, through recovery, recycling, and partnerships with accredited processors. At the same time, operational controls such as waste audits, monitoring systems, and accredited service providers support consistent compliance and performance across facilities.

These measures are complemented by ongoing efforts to improve waste efficiency, maintain sanitation standards, and support safe operations, particularly in food manufacturing environments.

## Opportunities and Management Approach

SMFB continues to enhance its waste management practices by expanding recycling and recovery initiatives and improving waste segregation and monitoring across its operations.

Key opportunities include strengthening circular practices, increasing recovery of high-volume waste streams, and improving partnerships to reduce residual waste. The Group also continues to explore process improvements and technologies that support more efficient waste handling and diversion.

Through these initiatives, SMFB aims to reduce environmental impact, improve resource efficiency, and support its long-term transition toward a more circular and sustainable operating model.

#### Hazardous Waste

| Disclosure                                  | 2025  | 2024  | Units |
|---------------------------------------------|-------|-------|-------|
| Total weight of hazardous waste generated   | 2,482 | 2,051 | MT    |
| Total weight of hazardous waste transported | 2,227 | 1,456 | MT    |

The chart shows that from 2024 to 2025, SMFB recorded an increase in both the generation and transportation of hazardous waste, in line with higher operational activity. Total hazardous waste generated rose from 2,051 MT to 2,482 MT, while transported waste increased from 1,456 MT to 2,227 MT.

The increase reflects expanded production requirements, but continued adherence to proper handling, transport, and treatment protocols ensures that hazardous waste is managed safely and in compliance with regulatory standards.

#### Impacts and Risks

Hazardous waste management presents environmental, regulatory, and health risks for SMFB given the use of chemicals, oils, and other hazardous materials across its operations. In 2025, both the generation and transportation of hazardous waste increased in line with higher operational activity, underscoring the need for continued strict controls.

If not properly managed, hazardous waste may pose risks to employee safety, surrounding communities, and the environment. The Group is also exposed to regulatory risks under Republic Act No. 6969, otherwise known as the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, with potential penalties, operational disruptions, and reputational impact in cases of non-compliance.

As stakeholder expectations on environmental and occupational safety continue to rise, effective hazardous waste management remains critical to maintaining the Group's licenses to operate and stakeholder trust.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Employees, and Local Communities

### Management Approach to Impacts and Risks

SMFB implements strict hazardous waste management practices in compliance with Republic Act No. 6969. All hazardous waste is properly labeled, stored, transported, treated, and disposed of through DENR-accredited providers, with processes documented through manifests and regularly reported to regulators.

Across its operations, hazardous materials are handled by trained personnel and stored in secure, designated facilities to prevent contamination or exposure. Regular monitoring, inspections, and established response protocols help mitigate risks from potential spills or incidents.

The increase in hazardous waste volumes in 2025 is managed through strengthened coordination with accredited transporters and treaters, ensuring timely collection, proper treatment, and regulatory compliance. Waste volumes and disposal activities are tracked under the Group's Environmental Management System to support ongoing monitoring and performance improvement.

### Opportunities and Management Approach

SMFB continues to pursue opportunities to reduce hazardous waste generation through process improvements, material substitution, and more efficient operations.

Key initiatives include minimizing the use of hazardous inputs, improving waste segregation and tracking, and exploring cleaner production technologies to reduce waste at source. The Group also strengthens partnerships with accredited waste service providers to ensure safe and compliant handling of unavoidable waste.

Through these efforts, SMFB aims to manage increasing waste volumes effectively while reducing environmental risks and supporting safer, more efficient operations.

#### Effluents

| Disclosure                       | 2025   | 2024 <sup>1</sup> | Unit |
|----------------------------------|--------|-------------------|------|
| Total volume of water discharges | 13,137 | 11,896            | ML   |

|                           |       |       |    |
|---------------------------|-------|-------|----|
| Percent of water recycled | 3.0   | 3.9   | %  |
| Total water consumption   | 4,962 | 5,809 | ML |

<sup>1</sup> Some figures have been updated to reflect improved accuracy.

In 2025, SMFB recorded an increase in total water discharge, in line with higher operational activity across its business units.

At the same time, overall water consumption declined, reflecting improved efficiency and the continued impact of water conservation initiatives across operations.

The percentage of water recycled decreased year-on-year, largely due to changes in water use and recovery volumes. Despite this, SMFB continues to strengthen its water stewardship efforts and explore opportunities to expand recycling and reuse.

Overall, the data reflects improved water efficiency alongside increased discharge, with continued focus on enhancing circular water practices across the Group.

### Impacts and Risks

Effluents generated from brewing, distillation, and food processing operations present environmental and regulatory risks if not properly managed. Increased discharge volumes in line with operational activity heighten the importance of effective treatment to prevent water quality degradation, which harms aquatic ecosystems and surrounding communities.

Non-compliance with DENR effluent standards may result in penalties, operational disruptions, and reputational impact. As discharge levels increase, maintaining consistent treatment performance and regulatory compliance remains critical to mitigating these risks and ensuring business continuity.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Employees, and Local Communities

### Management Approach to Impacts and Risks

SMFB adopts a structured approach to effluent management to ensure compliance with DENR standards and mitigate environmental risks as discharge volumes increase with operational activity. All major facilities operate wastewater and sewage treatment systems designed to ensure that discharged water meets regulatory quality requirements.

Treatment performance is monitored through regular sampling and analysis, supported by trained Pollution Control Officers (PCOs) who oversee compliance, reporting, and system performance.



These controls are integrated within the Group's Environmental Management System, enabling consistent monitoring and continuous improvement across sites.

In environmentally sensitive areas, enhanced controls and site-specific measures are implemented to further reduce potential impacts on surrounding ecosystems. Through these practices, SMFB maintains effective wastewater treatment while supporting operational reliability and regulatory compliance.

### Opportunities and Management Approach

SMFB continues to strengthen its effluent management by improving treatment efficiency and exploring opportunities for water reuse.

Key initiatives include optimizing treatment processes, upgrading system components, and enhancing monitoring capabilities to improve discharge quality and operational performance. The Group also continues to assess opportunities to recycle treated wastewater for non-potable uses, supporting water conservation and reducing reliance on freshwater sources.

As recycling rates fluctuate with operational requirements, SMFB remains focused on expanding reuse initiatives and improving system efficiency to support more circular water management.

Through these efforts, SMFB aims to manage increasing discharge volumes effectively while enhancing water efficiency and long-term sustainability.

## Environmental Compliance

### Non-compliance with Environmental Laws and Regulations

| Disclosure                                                                                   | 2025    | 2024 <sup>1</sup> | Unit  |
|----------------------------------------------------------------------------------------------|---------|-------------------|-------|
| Total amount of monetary fines for non-compliance with environmental laws and/or regulations | 175,000 | 141,658.96        | Php   |
| No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations  | 4       | 5                 | Count |
| No. of cases resolved through dispute resolution mechanism                                   | 1       | 0                 | Count |

<sup>1</sup> Some figures have been updated to reflect improved accuracy.

## Impacts and Risks

Non-compliance with environmental laws and regulations exposes SMFB to financial, operational, and reputational risks.

Potential risks include financial penalties, regulatory sanctions, and possible operational disruptions arising from non-compliance with standards on emissions, wastewater discharge, waste management, and hazardous material handling. Non-compliance may also delay or constrain expansion plans if permits or approvals are affected.

Environmental incidents, such as improper waste handling or water contamination, may lead to increased regulatory scrutiny and community concerns, particularly in areas where SMFB operates.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Employees, and Local Communities

## Management Approach to Impacts and Risks

SMFB adopts a structured and proactive approach to managing environmental compliance risks, ensuring alignment with key regulations such as the Clean Air Act, Clean Water Act, Ecological Solid Waste Management Act, and the EPR Act.

Environmental safeguards are integrated into facility design and operations, supported by designated PCOs who oversee monitoring, reporting, and regulatory compliance. These are reinforced through regular audits, site inspections, and the maintenance of required permits. The Group's Environmental Management System (EMS) provides a consistent framework for tracking compliance and responding to evolving regulatory requirements.

Across business units, SMFB implements circular and resource-efficient practices to reduce compliance risks. These include bottle recovery and reuse programs, repurposing of production by-products, and waste-to-resource initiatives that minimize disposal and environmental impact.

Water and emissions-related risks are managed through treatment systems, monitoring, and operational controls to ensure adherence to regulatory standards. Compliance is further strengthened through employee training and awareness, embedding environmental responsibility into day-to-day operations.

Through this integrated approach, SMFB reduces the risk of non-compliance while supporting operational continuity and long-term sustainability.

## Opportunities and Management Approach

SMFB views environmental compliance not only as a regulatory requirement but also as an opportunity to enhance efficiency, drive innovation, and strengthen stakeholder trust.

Initiatives such as bottle recovery and reuse, waste-to-resource programs, and water efficiency measures help reduce costs, improve resource utilization, and support circular practices. These efforts also enable stronger collaboration with partners and communities, particularly in areas such as packaging recovery and sustainable sourcing.

The Group continues to enhance its systems and partnerships to stay aligned with evolving regulations and industry standards, while identifying opportunities to scale sustainable practices across its operations.

At the governance level, environmental performance is overseen by the Board Risk Oversight and Sustainability Committee, ensuring that compliance considerations are integrated into strategic decision-making.

Through these efforts, SMFB positions environmental compliance as a driver of operational efficiency, innovation, and long-term business resilience.

The Environment Policy can be access through the Company's website at:

[https://www.smfb.com.ph/files/reports/SMFB\\_Environment\\_Policy.pdf](https://www.smfb.com.ph/files/reports/SMFB_Environment_Policy.pdf)

## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### *Employee Data*

| Disclosure                    | 2025   | 2024   | Units |
|-------------------------------|--------|--------|-------|
| Total number of employees     | 10,580 | 10,138 | Count |
| a. Number of female employees | 2,846  | 2,709  | Count |
| b. Number of male employees   | 7,734  | 7,429  | Count |

SMFB employed a total of 10,580 direct employees in 2025. Women in the workforce accounted for 27%. The higher ratio of men reflects the traditional male-dominated roles, particularly in manufacturing. Nevertheless, representation of women among officers and middle managers has improved, reflecting broader opportunities for women in leadership roles.

Employee attrition remained stable at approximately 7-8% annually, broadly in line with industry benchmarks and indicative of a relatively stable workforce.

##### *Employee Benefits*

The Group ensures that all employees receive the full range of benefits mandated by law, promoting a fair and equitable work environment without discrimination. In addition, SMFB provides a comprehensive suite of benefits covering healthcare, leave entitlements, and financial support programs, with broadly consistent availment across the workforce.

The accessibility and relevance of these benefits support employee well-being and contribute to overall workforce stability, as reflected in the Group's consistently low and stable attrition rate.

| List of Benefits | Y/N | % of Female employees who availed in 2025 | % of Male employees who availed in 2025 |
|------------------|-----|-------------------------------------------|-----------------------------------------|
| SSS              | Y   | 8                                         | 7                                       |

|                                          |   |      |      |
|------------------------------------------|---|------|------|
| PhilHealth                               | Y | 5    | 5    |
| Pag-ibig                                 | Y | 6    | 8    |
| Parental leaves                          | Y | 1    | 1    |
| Vacation leaves                          | Y | 16   | 18   |
| Sick leaves                              | Y | 10   | 10   |
| Medical benefits (aside from PhilHealth) | Y | 19   | 21   |
| Housing assistance (aside from Pag-ibig) | Y | 0.2  | 0.6  |
| Retirement fund (aside from SSS)         | Y | 0.7  | 0.7  |
| Further education support                | Y | 0.01 | 0.00 |
| Company stock options                    | N | N/A  | N/A  |
| Telecommuting                            | N | N/A  | N/A  |
| Flexible working hours                   | N | N/A  | N/A  |

*Figures expressed as % of total employees; values below 1% are shown to up to two decimal places.*

## Diversity and Equal Opportunity

Diversity and inclusion are supported through fair and merit-based employment practices, aligned with SMFB's Code of Business Conduct and Ethics and its Diversity, Equity and Inclusion Policy. These frameworks guide recruitment, development, and day-to-day people management decisions, helping ensure that all employees are treated with respect and provided with equitable access to opportunities.

In 2025, along with other companies in the San Miguel Group, SMFB continued to broaden its talent sourcing efforts to support a more geographically diverse workforce. Recruitment activities were conducted across eight locations, with a total of 5,112 applications processed Group-wide. Engagements covered a range of academic institutions, from leading universities to regional colleges located across Metro Manila and nearby provinces such as Batangas and Cavite. These efforts support the Company's objective of expanding access to employment opportunities and aligning talent acquisition with its growing regional operations.

The Company continues to attract candidates with diverse educational, geographic, and professional backgrounds. Selection processes remain anchored on merit, values alignment, and the ability to contribute to the Company's long-term objectives.

### Impacts and Risks

As an employer, SMFB aims to create a positive impact on its employees and, by extension, their families, through fair compensation, competitive benefits, and a work environment that supports both career and personal growth. Hiring is based on qualifications, skills, and experience, ensuring a fair and merit-based recruitment process.

The Group provides equitable benefits for all employees, independent of gender or position, fostering well-being, productivity, and job satisfaction, while supporting a diverse and inclusive workforce.

As with any organization, employee attrition, whether voluntary or involuntary, remains a risk and may result in temporary disruptions to operations.

Key Stakeholders Affected: Employees, Shareholders, and Investors

### Management Approach to Impacts and Risks

#### On Employee Hiring, Benefits, Diversity and Equal Opportunity

SMFB addresses the impacts and risks associated with employee hiring, benefits, diversity, and equal opportunity through well-defined policies and programs that promote a merit-based and inclusive workplace. The Group's Code of Business Conduct and Ethics underpins this approach, emphasizing employee development through training, competitive compensation, and clear career pathways.

The Group complies with all applicable labor and wage regulations, including minimum wage, overtime, and statutory benefits, and provides a comprehensive suite of benefits upon regularization, including insurance and medical coverage.

To further strengthen inclusivity, SMFB adopted the San Miguel Group's Diversity, Equity and Inclusion Policy in 2023. The policy promotes a workplace that respects diversity and ensures equitable access to opportunities for all employees. Career advancement is based on performance, capacity, and capability, with equal opportunities for women to assume leadership roles.

SMFB supports employee growth and well-being through continuing education, specialized training, and wellness initiatives, including fitness programs, health seminars, and mental health awareness. The Group also encourages employee engagement through community involvement and volunteer activities.

To support workforce stability, SMFB regularly benchmarks its compensation and benefits against industry peers to maintain competitiveness. This is complemented by funded, non-contributory defined benefit retirement plans for all permanent employees, based on actuarial valuations.

Hiring practices and employee engagement are continuously monitored to ensure alignment with diversity and inclusion objectives. Recruitment processes and employee feedback mechanisms are regularly reviewed to strengthen meritocracy and inclusivity across the organization.

Through these initiatives, SMFB mitigates risks related to employee attrition, operational disruption, and workplace inequities, while fostering a stable, engaged, and high-performing workforce.

The Company's Diversity, Equity and Inclusion Policy can be accessed through the Company's website at:

[https://www.smfb.com.ph/files/reports/SMFB\\_Diversity\\_Policy\\_.pdf](https://www.smfb.com.ph/files/reports/SMFB_Diversity_Policy_.pdf)

### **Opportunities and Management Approach**

SMFB continuously monitors evolving industry trends, labor market dynamics, and changes in pertinent labor laws and regulations to identify new opportunities that enhance employee satisfaction, retention, and productivity. By staying informed of best practices and emerging standards, the Group can proactively improve its compensation and benefits packages, and overall employee experience to remain competitive in attracting and retaining talent.

The Group sees opportunities in offering more programs that support employee growth, wellness, and inclusivity. Improving training, work-life balance, and engagement efforts can help employees feel more valued and supported. By keeping an eye on what works for other companies, SMFB can find practical ways to make the workplace better and more attractive to both current and potential employees.

## Employee Training and Development

| Disclosure                                   | 2025    | 2024    | Unit           |
|----------------------------------------------|---------|---------|----------------|
| Total training hours provided to employees   | 412,368 | 452,276 | hours          |
| a. Female employees                          | 129,343 | 127,256 | hours          |
| b. Male employees                            | 283,025 | 325,020 | hours          |
| Average training hours provided to employees | 41      | 45      | hours          |
| a. Female employees                          | 48      | 47      | hours/employee |
| b. Male employees                            | 39      | 44      | hours/employee |

*Some figures have been updated to reflect improved accuracy.*

SMFB continues to invest in employee development to enhance skills and drive productivity. In 2025, training hours increased year-on-year, reflecting the continued rollout of strengthened learning and development initiatives across the organization.

### Impacts and Risks

SMFB recognizes that continuous training and development are critical to sustaining competitiveness in the dynamic fast-moving consumer goods (FMCG) and food and beverage industries. These sectors require agility, innovation, and the ability to respond to evolving consumer preferences, regulatory changes, and technological advancements. Through ongoing learning, employees build both technical and soft skills, supporting higher productivity, operational efficiency, and overall performance.

Gaps in learning and development may pose risks, including slower adaptation to industry changes, and lower employee engagement. SMFB addresses these through sustained investments in training programs, ensuring a resilient and future-ready workforce aligned with the Group's long-term growth objectives.



Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, and Employees

### **Management Approach to Impacts and Risks**

SMFB manages these risks through structured and comprehensive learning programs aligned with operational needs and strategic priorities. Targeted in-house and external training initiatives are implemented across business units.

In the Beer and NAB segment, tiered technical programs, from basic to advanced brewing, support continuous capability building. The Spirits segment focuses on sensory skills and critical process training to ensure product quality and operational efficiency. The Food segment delivers specialized training across leadership, sales, logistics, and core production processes, strengthening capabilities across functions.

Development plans are tailored to address competency gaps, while high-potential employees are supported through accelerated programs, coaching, mentoring, and exposure to strategic projects. Holistic programs covering personal effectiveness, work-life balance, and financial wellness further support employee engagement and retention.

By significantly increasing training investment in 2025, SMFB mitigates risks related to skills gaps, productivity, and attrition, while strengthening organizational resilience.

### **Opportunities and Management Approach**

SMFB continues to expand its training and development programs to support employee growth and advancement. New initiatives increasingly leverage digital and virtual platforms, improving accessibility across locations.

The Group also benchmarks its programs against industry peers to adopt best practices and enhance learning effectiveness. Through continuous refinement of its development framework, SMFB ensures its workforce remains skilled, agile, and equipped to support sustained growth and competitiveness.

Leadership development remains a central priority, with SMFB managers participating in the Leadership and Management Development Program (LMDP), which has been expanded to include next-in-line leaders and high-potential employees, strengthening the leadership pipeline and integrating sustainability into training.

At the senior leadership level, SMFB senior management also participate in the Executive Management Development Program (EMDP), conducted in partnership with the Asian Institute of Management, which builds advanced leadership capabilities across strategy, innovation, operations, and people management, supported by coaching throughout the program.

## Labor-Management Relations

| Disclosure                                                                 | 2025 | 2024 | Units |
|----------------------------------------------------------------------------|------|------|-------|
| Percentage of employees covered by Collective Bargaining Agreements (CBAs) | 18   | 19   | %     |
| Active CBAs                                                                | 17   | 18   | Count |

*Some figures have been updated to reflect improved accuracy.*

### Impacts and Risks

The Group recognizes that harmonious labor-management relations are essential to stable operations and sustained productivity. Across its Beer, Spirits, and Food segments, 1,931 employees are members of unions, with 17 active collective bargaining agreements (CBAs) currently in place.

SMFB ensures full compliance with applicable labor laws and regulations, including minimum wage, overtime, and mandated benefits, supporting fair and secure livelihoods for rank-and-file employees. This fosters mutual trust and a collaborative work environment.

While the periodic renegotiation of CBAs is a normal part of union-management dynamics, it may present challenges where alignment is not immediately achieved. In addition, evolving labor regulations require continuous monitoring and timely alignment of policies and practices.

Through open dialogue and constructive engagement with employees and union representatives, SMFB manages these risks effectively, supporting operational continuity and long-term organizational resilience.

**Key Stakeholders Affected:** Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, and Employees

### Management Approach to Impacts and Risks

SMFB fosters strong labor-management relations through clear policies, open communication, and strict compliance with labor laws and regulations. Policies are regularly updated to align with evolving legal requirements and industry practices, including the timely renegotiation of CBA economic provisions every three years and representation elections every five years.

In 2023, SMFB introduced its Freedom of Association Policy, reinforcing employees' right to organize and participate in groups of their choice without fear of discrimination. The policy also

supports open dialogue and responsible expression, provided these remain consistent with Company values.

To strengthen engagement and transparency, SMFB provides multiple communication platforms, including regular consultations and town halls such as “Speak Ups” with senior leadership. These forums enable direct dialogue and timely resolution of concerns.

Digital channels further support accessible, real-time communication between employees and management. Together, these initiatives reinforce a respectful, inclusive workplace and support stable labor relations, employee satisfaction, and business continuity.

### Opportunities and Management Approach

SMFB continues to strengthen labor relations by enhancing communication, engagement, and collaboration with employees. Ongoing compliance with labor laws provides a strong foundation, while engagement with union representatives supports trust-building, effective grievance resolution, and a harmonious workplace.

The Group further enhances relations by expanding platforms for dialogue, including “Speak Ups,” labor-management council meetings, and toolbox sessions. These channels enable employees to raise concerns, share ideas, and contribute to workplace improvements, supporting both engagement and operational efficiency.

SMFB’s Freedom of Association Policy reinforces these efforts by upholding employees’ rights to organize and engage in open, respectful dialogue. This supports a more inclusive and collaborative work environment.

Through these initiatives, SMFB strengthens employee engagement, minimizes the risk of labor disputes, and supports sustained productivity and long-term organizational success.

The Freedom of Association Policy can be accessed through the Company’s website at:

[https://www.smfb.com.ph/files/reports/SMFB\\_Freedom\\_of\\_Association\\_Policy\\_.pdf](https://www.smfb.com.ph/files/reports/SMFB_Freedom_of_Association_Policy_.pdf)

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

| Disclosure                       | 2025       | 2024       | Units     |
|----------------------------------|------------|------------|-----------|
| Safe man hours for all employees | 27,104,964 | 23,107,913 | Man-hours |
| No. of work-related injuries     | 191        | 253        | Count     |

|                                |   |   |       |
|--------------------------------|---|---|-------|
| No. of work-related fatalities | 0 | 0 | Count |
|--------------------------------|---|---|-------|

*Figures reported cover all SMFB employees across the Beer, Spirits, and Food divisions.*

### Impacts and Risks

Occupational Health and Safety (OHS) is critical to protecting employees from workplace accidents, injuries, and exposure to hazards. SMFB's commitment to a safe and healthy work environment helps minimize risks, support productivity, enhance employee morale, and ensure regulatory compliance.

Maintaining high OHS standards is essential to sustaining these outcomes. Gaps in safety practices may lead to injuries or illness, operational disruptions, and increased costs related to medical care and compensation, while also affecting employee well-being and retention.

As a publicly listed company, SMFB is also mindful of the reputational impact of safety-related incidents. Compliance with Republic Act No. 11058, otherwise known as the Occupational Safety and Health Law, and other regulations mitigate legal and financial risks while reinforcing stakeholder trust. Through continuous monitoring and improvement of its OHS practices, SMFB supports employee welfare, operational resilience, and long-term sustainability.

**Key Stakeholders Affected:** Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, Employees, and Local Communities

### Management Approach to Impacts and Risks

SMFB places strong emphasis on occupational health and safety, recognizing that a safe work environment is essential to employee well-being, sustained productivity, and regulatory compliance. The Group proactively identifies workplace hazards and ensures employees are equipped with appropriate training, protective equipment, and resources.

Employees may face physical, ergonomic, and psychosocial risks, including exposure to noise, heat, repetitive tasks, and workplace stress. These are addressed through timely and preventive measures to minimize incidents and support consistent operations.

SMFB's approach is anchored in its Code of Business Conduct and Ethics and its Policy on Health, Safety, and Welfare, which guide hazard prevention, training, and workplace preparedness. A comprehensive health and wellness program complements these efforts, offering medical services, preventive care, and employee engagement initiatives.

Health and Safety Committees conduct regular risk assessments and audits, while trained Emergency Response Teams ensure preparedness for critical incidents. Several facilities have also received Safety Seal Certifications, reflecting compliance with national safety standards.

Through these measures, SMFB reinforces a strong culture of safety that protects employees, supports operational performance, and ensures adherence to regulatory requirements.

## Opportunities and Management Approach

SMFB continues to enhance OHS through proactive risk management, employee engagement, and continuous improvement. The Group regularly assesses workplace risks, identifies areas for improvement, and adopts best practices to strengthen safety standards and prevent incidents.

Targeted programs on safety awareness, physical fitness, mental health, and overall wellness support a holistic approach to employee well-being, contributing to reduced injuries, improved productivity, and higher engagement. Health and Safety Committees, regular training, and risk assessments further reinforce this approach, alongside strict adherence to regulatory standards.

SMFB also leverages technology to improve safety monitoring and reporting across its operations. Through these initiatives, the Group strengthens its safety culture, ensures compliance, and promotes a safe, healthy, and productive work environment.

The Policy relating to Health, Safety, and Welfare is available on the Company's website at:

[https://www.smfb.com.ph/files/reports/SMFB\\_Policy\\_Relating\\_to\\_Health\\_Safety\\_and\\_Welfare.pdf](https://www.smfb.com.ph/files/reports/SMFB_Policy_Relating_to_Health_Safety_and_Welfare.pdf)

### Labor Laws and Human Rights

| Disclosure                                                                  | 2025 | 2024 | Units |
|-----------------------------------------------------------------------------|------|------|-------|
| No. of legal actions or employee grievances involving forced or child labor | 0    | 0    | Count |

SMFB's Policy on Child and Forced Labor, Anti-Sexual Harassment Policy, and the Code of Business Conduct and Ethics, all explicitly disallow violations of labor laws and human rights (e.g., harassment, bullying) in the workplace.

| Topic        | Y/N | If Yes, cite reference in the company policy                                                                                                                                                                                                                    |
|--------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Forced labor | Y   | <p>Policy on Child and Forced Labor</p> <p>"Moreover, pursuant also to the mandate of the 1987 Constitution that no involuntary servitude in any form shall exist, the San Miguel Group shall not engage, tolerate or support forced or involuntary labor."</p> |

|              |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |   | <p>Code of Business Conduct and Ethics</p> <p>"We shall not use forced or involuntary labor."</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Child labor  | Y | <p>Policy on Child and Forced Labor</p> <p>"In compliance with Republic Act No. 7610, otherwise known as the "Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act", as amended by Republic Act No. 9231, the San Miguel Group shall not engage in child labor except in accordance with law. The San Miguel Group shall ensure that its employees are of legal working age and shall comply with the conditions of the law on child employment, such as internships or apprenticeships."</p> <p>Code of Business Conduct and Ethics</p> <p>"We shall not use child labor."</p> |
| Human Rights | Y | <p>Anti-Sexual Harassment Policy</p> <p>"Towards this end, all forms of sexual harassment against Personnel (hereinafter, the Personnel target of such sexual harassment referred to as the "Recipient") in the Workplace as hereinafter defined, are prohibited."</p> <p>Code of Business Conduct and Ethics</p> <p>"We shall provide a workplace free of harassment, discrimination, harsh and inhumane treatment."</p>                                                                                                                                                                                          |

### Impacts and Risks

Compliance with labor laws and respect for human rights are integral to SMFB's operations and long-term sustainability. Adherence to employment regulations — including minimum wage, overtime, and mandated benefits — supports a fair and secure workplace while mitigating legal and reputational risks. As regulations evolve, particularly in areas such as outsourcing and contracting, SMFB proactively reviews its practices to ensure continued alignment.

The Group maintains contractual relationships with third-party service providers and remains mindful of potential risks, including disputes related to employment arrangements. These are managed through close oversight and strengthened accountability across its contractor base.

Upholding human rights, including the prohibition of forced and child labor, is a core commitment. Any lapses may expose the Group to regulatory and public scrutiny. As a publicly listed company, SMFB prioritizes transparency and responsible labor practices to maintain stakeholder trust. Through clear policies and ongoing diligence, the Group fosters an ethical and compliant work environment across its operations.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, Employees, and Customers

### **Management Approach to Impacts and Risks**

SMFB takes a proactive approach to labor law compliance and human rights protection through clear policies and guidelines. Its Policy on Child and Forced Labor, Anti-Sexual Harassment Policy, Diversity, Equity and Inclusion Policy, and Code of Business Conduct and Ethics collectively uphold ethical workplace standards and promote a safe, respectful, and inclusive environment.

The Group strictly prohibits all forms of harassment, coercion, and discrimination, and provides accessible, confidential channels for reporting concerns. Regular monitoring and open communication reinforce accountability and trust across the organization. Equal opportunity is ensured regardless of race, age, gender, gender identity, ethnicity, disability, religion, political views, union affiliation, or marital status.

SMFB complies with all applicable labor laws on wages, overtime, and mandated benefits, supported by regular reviews and audits to ensure alignment with regulatory requirements and industry practices. Through these measures, the Group mitigates risks while reinforcing a culture of fairness, inclusivity, and responsibility.

### **Opportunities and Management Approach**

SMFB continues to strengthen its commitment to labor law compliance and human rights by enhancing policies, monitoring practices, and employee engagement. Upholding labor standards and ethical practices across its operations and supply chain supports regulatory compliance while fostering a culture of inclusivity, fairness, and respect.

The Group regularly reviews and updates its policies to align with evolving regulations and global best practices. Key frameworks, including the Policy on Child and Forced Labor, Anti-Sexual Harassment Policy, Diversity, Equity and Inclusion Policy, and the Code of Business Conduct and Ethics, guide the promotion of a safe, equitable, and respectful workplace. These are accessible via the Company's website, reinforcing transparency and accountability.

SMFB supports implementation through ongoing monitoring, audits, and engagement with employees and partners, alongside accessible channels for reporting concerns and addressing grievances promptly.

Through these efforts, SMFB enhances employee well-being and engagement while strengthening its reputation as a responsible employer. Collaboration with suppliers and contractors further embeds ethical labor practices across its value chain, supporting long-term value creation.

The Policy on Child and Forced Labor, Anti-Sexual Harassment Policy, Diversity, Equity and Inclusion Policy, as well as the Code of Business Conduct and Ethics, are accessible through the Company's website at:

[https://www.smfb.com.ph/files/reports/SMFB\\_Policy\\_on\\_Child\\_and\\_Forced\\_Labor\\_.pdf](https://www.smfb.com.ph/files/reports/SMFB_Policy_on_Child_and_Forced_Labor_.pdf)

[https://www.smfb.com.ph/files/reports/SMFB\\_Anti\\_Sexual\\_Harassment\\_Policy.pdf](https://www.smfb.com.ph/files/reports/SMFB_Anti_Sexual_Harassment_Policy.pdf)

[https://www.smfb.com.ph/files/reports/SMFB\\_Diversity\\_Policy\\_.pdf](https://www.smfb.com.ph/files/reports/SMFB_Diversity_Policy_.pdf)

[https://www.smfb.com.ph/files/reports/SMFB\\_Code\\_of\\_Business\\_Conduct\\_and\\_Ethics\\_3.pdf](https://www.smfb.com.ph/files/reports/SMFB_Code_of_Business_Conduct_and_Ethics_3.pdf)

[https://www.sanmiguel.com.ph/storage/files/reports/SMC\\_Code\\_of\\_Conduct\\_and\\_Ethical\\_Business\\_Policy\\_Final.pdf](https://www.sanmiguel.com.ph/storage/files/reports/SMC_Code_of_Conduct_and_Ethical_Business_Policy_Final.pdf)

## Supply Chain Management

SMFB aligns with SMC's commitment to conduct business in an ethical, legal, and socially responsible manner, upholding high standards of integrity across its operations. This is reflected in the SMC Supplier Code of Conduct, which sets clear expectations for suppliers to adhere to ethical practices and comply with applicable laws, including those on environmental protection, occupational health and safety, labor standards, and data privacy. These standards support long-term, values-driven partnerships across the supply chain.

The Group follows a standardized supplier accreditation process to ensure prospective partners meet legal, quality, and business-specific requirements. Supplier contracts reinforce these standards through provisions on responsible labor practices, human rights, and anti-corruption.

SMFB has further strengthened its Supplier Code of Conduct by incorporating ESG principles, deepening its focus on sustainable sourcing, environmental stewardship, workplace safety, and fair labor practices.

Supporting local communities remains a priority. In 2025, about 60% of total procurement, equivalent to P118.9 billion, was sourced from local suppliers. This supports domestic economic activity while helping reduce emissions associated with long-distance transport.

Procurement policies promote good governance and responsible conduct among suppliers. To reinforce these, SMFB plans to roll out supplier awareness training on sustainability and develop periodic assessments of supplier alignment with its standards.

Across its businesses, SMFB maintains an integrated supply chain:

- SMB operates seven strategically located production facilities nationwide, supporting product availability and freshness within five to seven days of production.
- GSMI sources fine alcohol from a centralized distillery in Negros Occidental and operates five bottling facilities across the country.



- SMF runs a nationwide network of farms, feed mills, processing plants, and food manufacturing facilities, supported by efficient cold chain systems.

Through this approach, SMFB strengthens supplier relationships, promotes sustainable practices, and supports local development while maintaining operational efficiency and integrity.

In accrediting suppliers, the Group considers the following sustainability topics:

| Topic                     | Y/N | If Yes, cite reference in the company policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental performance | Y   | <p>Supplier Code of Conduct</p> <p>“SMG Suppliers shall foster and maintain a management culture and attitude that establishes a results-based system toward the continual improvement of their environmental, health and safety practices and performance. SMG Suppliers shall comply with environmental laws and regulations applicable to their operations worldwide.”</p> <p>Environment Policy</p> <p>SMFB is “aligned with San Miguel Corporation in its commitment to do what is right and to lead in nation-building by creating opportunities so that all can share in the rewards of sustainable development and prosperity.”</p> <p>Code of Business Conduct and Ethics</p> <p>“We shall comply with all applicable environmental regulations. All required environmental permits, licenses, authorizations, registrations and clearances must be obtained and their operational and reporting requirements followed.”</p> |
| Forced labor              | Y   | <p>Supplier Code of Conduct</p> <p>“SMG Suppliers must not utilize or benefit in any way from forced or compulsory labor, nor utilize factories or subcontractors that utilize forced or compulsory labor.”</p> <p>Policy on Child and Forced Labor</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

|              |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |   | <p>"Moreover, pursuant also to the mandate of the 1987 Constitution that no involuntary servitude in any form shall exist, the San Miguel Group shall not engage, tolerate or support forced or involuntary labor."</p> <p>Code of Business Conduct and Ethics</p> <p>"We shall not use forced or involuntary labor."</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Child labor  | Y | <p>Supplier Code of Conduct</p> <p>"SMG Suppliers shall comply with local minimum working age laws and requirements and not employ child labor. SMG Suppliers must only employ workers who meet the applicable minimum legal age requirement. SMG Suppliers are also expected to comply with all other applicable child labor laws."</p> <p>Policy on Child and Forced Labor</p> <p>"In compliance with Republic Act No. 7610, otherwise known as the "Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act", as amended by Republic Act No. 9231, the San Miguel Group shall not engage in child labor except in accordance with law. The San Miguel Group shall ensure that its employees are of legal working age and shall comply with the conditions of the law on child employment, such as internships or apprenticeships."</p> <p>Code of Business Conduct and Ethics</p> <p>"We shall not use child labor. Employment of young workers shall only occur in accordance with the law."</p> |
| Human rights | Y | <p>Supplier Code of Conduct</p> <p>"SMG Suppliers shall treat each employee with dignity and respect. SMG Suppliers shall prohibit threats of violence, physical punishment, confinement or any other form of physical, sexual, psychological, or verbal harassment or abuse and all other forms of intimidation or harassment in the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |   | <p>workplace."</p> <p>Anti-Sexual Harassment Policy</p> <p>"Towards this end, all forms of sexual harassment against Personnel (hereinafter, the Personnel target of such sexual harassment referred to as the "Recipient") in the Workplace as hereinafter defined, are prohibited."</p> <p>Code of Business Conduct and Ethics</p> <p>"We shall provide a workplace free of harassment, discrimination, harsh and inhumane treatment."</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Bribery and corruption | Y | <p>Supplier Code of Conduct</p> <p>"SMG Suppliers shall not offer, make, or receive any form of bribe in order to win or retain business, or seek to influence a business or regulatory decision inappropriately. This shall include offering or providing any bribe, kickback, contribution, gift, favor, hospitality, entertainment, secret commission, reward, employment or promise of employment, or anything of value to (i) compromise the objectivity of SMG or an SMG employee or representative or any foreign or domestic government official or employee in making decisions; or (ii) obtain an undue advantage or benefit from SMG or any foreign or domestic government official or employee."</p> <p>Anti-Corruption and Sanctions Compliance Policy</p> <p>"Company Personnel are prohibited from engaging in any form of bribery, kickbacks, extortion, or other corrupt payments or practices in any way related to the San Miguel Group businesses."</p> <p>Code of Business Conduct and Ethics</p> <p>"Any form of corruption, extortion and embezzlement shall be prohibited. We shall not offer, pay nor accept bribes or participate in other illegal inducements in business or government relationships. We shall work against corruption in all its forms."</p> |

## Impacts and Risks

The Group's manufacturing, production, and logistics operations involve partnerships with independent third-party contractors, supporting operational flexibility and shared economic value. However, this also presents risks that SMFB actively manages. In areas prone to natural disasters, contractors may face delays or logistical constraints that can affect the timely delivery of goods and services. To address this, the Group continues to strengthen its supplier network and ensure consistent service quality.

Ensuring that suppliers meet quality, safety, and compliance standards remains critical, particularly in the Food segment where product safety and freshness are essential. SMFB works closely with suppliers to maintain high standards and safeguard against risks such as spoilage or contamination. The Group also monitors compliance with labor, health, safety, and environmental regulations to support operational continuity.

Fluctuations in the cost of key inputs, including feed, grains, packaging materials, and energy, may impact expenses. SMFB actively monitors these trends and adjusts sourcing strategies to manage costs and maintain supply stability.

The Group also remains focused on responsible sourcing, strengthening supplier oversight and engagement to uphold ethical and regulatory standards. In addition, SMFB recognizes the potential impact of climate-related events such as typhoons, droughts, and flooding, and continues to enhance supply chain resilience through contingency planning and sustainable sourcing strategies.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, and Employees

## Management Approach to Impacts and Risks

SMFB adopts a comprehensive and proactive approach to managing supply chain risks. To minimize disruptions, the Group maintains a diversified pool of accredited suppliers and contractors, all subject to rigorous screening to ensure compliance with regulatory requirements and the Group's standards for quality, safety, and reliability.

Ethical conduct and good governance are reinforced through the Code of Business Conduct and Ethics and the Supplier Code of Conduct, which express clear expectations on legal compliance, ethical practices, and sustainability. Suppliers are assessed not only in terms of performance and reliability but also in adherence to these standards.

The Group supports supplier development through knowledge sharing and the adoption of best practices, strengthening capabilities, and alignment with SMFB's requirements. Supplier performance is continuously monitored to identify risks early and enhance overall supply chain resilience.

Through this approach, SMFB effectively mitigates risks while building strong, long-term partnerships with its suppliers and contractors.

## Opportunities and Management Approach

The Group will continue to strengthen its supplier assessment processes and further integrate sustainability considerations into accreditation and monitoring.

The Supplier Code of Conduct is accessible through the Company's website at:

[https://www.smfb.com.ph/files/reports/SMG\\_Supplier\\_Code\\_of\\_Conduct\\_for\\_Corporate\\_Website.pdf](https://www.smfb.com.ph/files/reports/SMG_Supplier_Code_of_Conduct_for_Corporate_Website.pdf)

### Relationship with Community

#### Significant Impact on Local Communities

Below are some of the Group's programs and initiatives that have created shared value for the business, its operations, and the local communities involved.

| Operations with significant impacts on local communities | Location                                       | Vulnerable groups, if applicable* | Does the particular operation have an impact on indigenous people (Y/N)? | Community right and concerns of communities                                                                             | Mitigating or enhancement measures                                           |
|----------------------------------------------------------|------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| SMB, SMF, and GSMI facilities                            | Nationwide                                     | Not applicable                    | No                                                                       | Local hiring, creating employment and business opportunities                                                            | Health, Education, Employment, and Livelihood projects                       |
| SMB's Mangrove Planting                                  | Brgy. Busong, City of Puerto Princesa, Palawan | Not applicable                    | No known negative impact to indigenous people                            | Propagate mangroves along the coastlines of Carmen                                                                      | Sustainability of breeding areas for fish and shellfish; improved fish catch |
| GSMI coastal clean-up                                    | Guimaras Strait                                | Not applicable                    | No                                                                       | Monitoring of the Guimaras Strait through regular coastal cleanups with local government units and community volunteers | Biodiversity conservation                                                    |

|                                                                                                                                                                                                                |                                                                                                                                                                                                                                               |                                             |                                               |                                                                                                                               |                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| SMB Community Clinics                                                                                                                                                                                          | Various locations                                                                                                                                                                                                                             | Not applicable                              | No                                            | Provision of health services to host communities, focusing on adult and pediatric patients with various medical issues        | Improving access to medical care in underserved areas               |
| GSMI Fishnet Assistance Program launched by DBI                                                                                                                                                                | Barangay Taloc, Bago City, Negros Occidental                                                                                                                                                                                                  | Not applicable                              | No                                            | Provides opportunities for community members to rent or purchase fishnets through a revolving fund                            | Improving livelihoods and financial security for the community      |
| SMB's Trees Brew Life                                                                                                                                                                                          | Various locations                                                                                                                                                                                                                             | Not applicable                              | No                                            | Supporting the government's National Greening Program through tree planting                                                   | Environmental improvement through increased greenery                |
| SMB's Relief Operations                                                                                                                                                                                        | Various locations                                                                                                                                                                                                                             | Not applicable                              | No                                            | Provides relief to communities affected by calamities like storms, floods, and eruptions                                      | Helping communities recover and return to normalcy                  |
| SMF's Sustainable Sourcing Program<br><br>Highlights:<br>- Guaranteed market with purchase agreement<br>- Floor price protection (higher of floor or prevailing price)<br>- Start-up planting material support | 28 provinces across Luzon, Visayas, and Mindanao<br><br>Luzon<br>- Apayao<br>- Ifugao<br>- Cagayan<br>- Isabela<br>- Nueva Ecija<br>- Pampanga<br>- Quirino<br>- Tarlac<br>- Batangas<br>- Occidental Mindoro<br>- Masbate<br>- Camarines Sur | Local farmers, indigenous people of Mindoro | No known negative impact to indigenous people | Ensures sustainable supply of agricultural raw materials through market guarantees, pricing support, and technical assistance | Supporting farmers' livelihoods and enhancing production efficiency |

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |      |                                                    |                                                                                              |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------|----------------------------------------------------|----------------------------------------------------------------------------------------------|
| - Technical support for crop production management | <p>Visayas</p> <ul style="list-style-type: none"> <li>- Cebu</li> <li>- Eastern Samar</li> <li>- Leyte</li> <li>- Negros Occidental</li> <li>- Negros Oriental</li> </ul> <p>Mindanao</p> <ul style="list-style-type: none"> <li>- Zamboanga del Norte</li> <li>- Zamboanga del Sur</li> <li>- Lanao del Sur</li> <li>- Misamis Oriental</li> <li>- Bukidnon</li> <li>- Davao del Sur</li> <li>- Davao Occidental</li> <li>- North Cotabato</li> <li>- South Cotabato</li> <li>- Maguindanao</li> <li>- Sultan Kudarat</li> </ul> |               |      |                                                    |                                                                                              |
| SMFI's Contract Growing for Poultry                | <p>Various Regions (Nationwide):</p> <ul style="list-style-type: none"> <li>- Region I (Pangasinan, Ilocos)</li> <li>- Region II (Isabela)</li> <li>- Region III (Zambales, Bataan, Tarlac, Nueva Ecija, Pampanga)</li> <li>- Region IV (Batangas, Quezon, Cavite)</li> <li>- Region V (Camarines Sur, Albay)</li> <li>- Region VI (Iloilo, Negros Occidental)</li> <li>- Region VII</li> </ul>                                                                                                                                   | Local farmers | None | Partnering with local farmers for poultry business | Site qualifications, compliance inspections, and use of larvicide to address fly infestation |

|                                                  |                                                                                                                                                                                                                  |                     |    |                                                     |                                                               |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----|-----------------------------------------------------|---------------------------------------------------------------|
|                                                  | (Cebu)<br>- Region VIII (Leyte)<br>- Region IX (Zamboanga)<br>- Region X (Cagayan de Oro, Misamis Occidental, Misamis Oriental)<br>- Region XI (Davao)<br>- SOCCSK-SAR GEN (General Santos)<br>- CARAGA (Butuan) |                     |    |                                                     |                                                               |
| SMF's Handog Kalikasan Coral Rescue Program      | Mabini, Batangas                                                                                                                                                                                                 | Aquatic environment | No | Transplanting corals to enhance marine biodiversity | Survival of corals and increase in fish biomass and diversity |
| GSMI, East Pacific Star Bottlers Phils Inc., DBI | Sta. Barbara, Pangasinan; Cabuyao, Laguna; Cauayan, Isabela; Ligao City, Albay; Mandaue City, Cebu; Bago City, Negros Occidental                                                                                 | Not applicable      | No | Local hiring and community engagement               | Health, Education, and Livelihood projects                    |

\* Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

The Company does not have operations that affect Indigenous Peoples (IPs).

| Certificates                                                                           | 2025           | 2024           | Unit  |
|----------------------------------------------------------------------------------------|----------------|----------------|-------|
| Free and Prior Informed Consent (FPIC) process which is still undergoing consultations | Not Applicable | Not Applicable | Count |
| Certification Preconditions (CP) secured                                               | Not Applicable | Not Applicable | Count |



## Impacts and Risks

The Group's nationwide operations contribute meaningfully to local economies by ensuring product availability while supporting job creation, local businesses, tax revenues, and community development. Its presence across regions also helps stimulate infrastructure growth and expand livelihood opportunities.

While these contributions are significant, SMFB remains mindful of potential challenges associated with large-scale operations, including environmental impacts and broader social and governance considerations. The Group is committed to addressing these through responsible practices and continuous improvement, ensuring its operations remain sustainable and beneficial to the communities it serves.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Employees, and Local Communities

## Management Approach to Impacts and Risks

SMFB integrates social responsibility into its operations, encouraging employees and partners to support community welfare and environmental stewardship. Through engagement with local stakeholders, the Group aims to create shared value and contribute positively to the communities where it operates.

To address community concerns, SMFB has established a structured and responsive approach. Designated personnel manage local affairs and serve as primary points of contact, facilitating dialogue and coordinating with community members, leaders, and relevant authorities to resolve issues effectively.

Through proactive and transparent engagement, SMFB reinforces its commitment to ethical practices and sustains positive relationships with its host communities.

## Opportunities and Management Approach

The Group sees opportunities to further enhance shared value with local communities. These include expanding livelihood programs that support skills development, entrepreneurship, and employment, as well as strengthening partnerships with local suppliers to boost regional economies and supply chain resilience.

Investments in education, healthcare, and infrastructure can further improve community well-being, while environmental initiatives such as reforestation, coastal clean-ups, and sustainable agriculture support ecological preservation and community engagement.

The Group also aims to leverage digital platforms to enhance communication and outreach. By aligning these efforts with its sustainability priorities, SMFB strengthens its corporate responsibility initiatives and fosters long-term, mutually beneficial relationships with host communities.

## CUSTOMER MANAGEMENT

### Customer Satisfaction

Customer satisfaction is a key focus for the Group. It conducts regular focus group discussions, monitors market data from partners such as Kantar and Nielsen, and leverages social media listening to track consumer sentiment and respond promptly to feedback. Customer complaints are managed through a centralized platform to ensure timely evaluation, resolution, and corrective action.

### Impacts and Risks

The Group's products play an important role in consumers' daily lives, providing both nourishment and enjoyment. To remain relevant, SMFB closely monitors shifts in consumer preferences, economic conditions, and lifestyle trends that may affect demand and product acceptance.

Economic pressures may drive consumers toward more affordable options, prompting the Group to balance value and quality. Consumer feedback, including complaints and social media commentary, may also influence brand perception. SMFB addresses these risks by maintaining consistent product quality and responsive customer service to safeguard brand trust and equity.

By staying agile and responsive, the Group strengthens customer relationships and supports sustained business performance.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, and Employees

### Management Approach to Impacts and Risks

SMFB adopts a customer-centric approach anchored on the principle that the customer is central to its operations. This is reflected in its product development, marketing, and distribution strategies, which aim to meet or exceed customer expectations.

The Group leverages market leadership and industry experience to monitor trends and identify opportunities for product and channel enhancements. Insights from research and data analytics inform initiatives that improve customer satisfaction and loyalty.

Customer engagement is supported through multiple channels, including focus groups, workshops, and market studies, enabling the Group to gather feedback and respond quickly to evolving needs. This structured approach enhances agility and strengthens the overall customer experience.

## Opportunities and Management Approach

SMFB sees opportunities to expand and diversify its product portfolio to address evolving consumer preferences. Continued innovation across categories enables the Group to capture emerging trends, enter underserved segments, and strengthen brand loyalty.

Growth opportunities also exist in health-oriented, premium, and convenience products, as well as offerings tailored to different demographics. These initiatives support sustained relevance, competitiveness, and long-term growth.

### Health and Safety

The Group considers health and safety a critical and material topic. While consolidated data is not yet available, systems are being developed to support comprehensive reporting in future cycles. The following section outlines the Group's management approach to address impacts and risks related to health and safety.

## Impacts and Risks

The Group recognizes that health and safety compliance is critical to its operations, particularly under the Food Safety Act of 2013, which sets standards for product safety, hygiene, and labeling. SMFB upholds these through strict quality control and continuous process improvements, supporting consumer well-being, reinforcing brand trust, and minimizing regulatory risk.

In its Food operations, animal health and welfare are integral to product safety and quality. Poor animal welfare practices and inappropriate use of veterinary medicines, including antibiotics, may pose risks to food safety, supply reliability, and public health. These are managed through established animal care protocols and veterinary oversight across production systems.

The Group also operates within an evolving regulatory environment covering food safety, environmental standards, and responsible product marketing. For alcoholic beverages, compliance with regulations on advertising, labeling, and age restrictions is critical to managing reputational and regulatory risks associated with consumption.

SMFB remains proactive in securing and maintaining approvals and permits from agencies such as the FDA, DTI, and DENR, ensuring operational continuity and minimizing disruptions.

Compliance with established standards, including HACCP and Good Manufacturing Practices (GMP), enables the identification and control of potential hazards throughout production. While implementation challenges may arise, SMFB continues to strengthen its systems to uphold product quality and maintain consumer confidence.

**Key Stakeholders Affected:** Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, Employees, and Local Communities

## Management Approach to Impacts and Risks

SMFB maintains high standards of quality and food safety, aligned with applicable regulations and global best practices. Its approach is guided by recognized frameworks and certifications across its operations, including ISO 9001:2015 (25), ISO 14001:2015 (16) for Environmental Management Systems, ISO 17025:2017 (1), ISO 22000:2018 (1), FSSC 22000 (17), HACCP (30), GMP (35), HALAL (3), ISO 45001 (1) for Occupational Health and Safety Management Systems, ISO 50001 (3) for Energy Management Systems, and SEDEX (1) for Suppliers Ethical Data Exchange, ensuring consistency and compliance across its facilities.

The Group's facilities undergo regular audits and its products are subject to stringent quality and safety checks prior to distribution. Employees receive continuous training in quality assurance and food safety, while safeguards are embedded across the supply chain, from raw material sourcing to delivery. This includes strict raw material acceptance, certified facilities, and adherence to good warehousing practices.

Animal health and welfare are managed through integrated farm and veterinary programs that promote preventive care, proper nutrition, and humane handling practices across production systems. Veterinary oversight governs the use of medicines, including antibiotics, with a focus on responsible and judicious use to protect animal welfare, food safety, and public health. Preventive health measures and alternative solutions are encouraged to reduce reliance on antibiotics while maintaining production performance. In line with this, San Miguel Foods, Inc. (SMFI), a subsidiary of the Company, has implemented a policy relating to antibiotic use in its operations.

The Antibiotic Use Policy for Poultry may be accessed through SMFI's website at:

<https://irp.cdn-website.com/b3fbd289/files/uploaded/Antibiotic%20use%20policy.pdf>

Customer feedback is managed through multiple channels, including social media, phone, email, and customer care platforms, with all concerns tracked and resolved to support continuous improvement. Product traceability is strengthened through standardized batch coding, enabling timely action, including recalls when necessary.

For beverage products, including alcoholic beverages, SMFB adheres to responsible marketing and labeling practices in line with regulatory requirements and industry standards. Marketing communications are directed at appropriate audiences and incorporate messaging that promotes responsible consumption, helping to mitigate regulatory and reputational risks.

SMFB also ensures compliance with national regulations, including the Code on Sanitation of the Philippines, and maintains required sanitary permits. Good warehousing practices and preventive control plans further reinforce product safety and quality across its operations.

## Opportunities and Management Approach

The Group continues to enhance the safety, quality, and nutritional value of its food and beverage products. Guided by a zero-tolerance approach to food safety violations, it fosters a culture of accountability and continuously adopts best practices that meet or exceed industry standards.

In response to rising demand for healthier options and more responsibly produced products, SMFB is improving the nutritional profile of its offerings while strengthening responsible production practices across its value chain. This includes ongoing efforts to support animal health and welfare, advance responsible antibiotic use, and promote informed and responsible consumption of alcoholic beverages.

These initiatives position the Group to respond to evolving consumer preferences, regulatory expectations, and public health priorities, while strengthening long-term brand trust and market relevance.

The Nutrition Policy is accessible through the Company's website at:

[https://www.smfb.com.ph/files/reports/San\\_Miguel\\_Foods\\_Nutrition\\_Policy.pdf.pdf](https://www.smfb.com.ph/files/reports/San_Miguel_Foods_Nutrition_Policy.pdf.pdf)

### Marketing and Labelling

Marketing and labeling are material topics for the Group, supporting consumer trust and regulatory compliance. While consolidated data is not yet available, systems are being developed to enable more comprehensive reporting in future cycles. The following section outlines the Group's approach to managing related impacts and risks related to product marketing and labelling.

## **Impacts and Risks**

The Group recognizes the importance of responsible marketing and accurate labeling in maintaining transparency and consumer trust. Compliance with the Consumer Act and other regulations ensures that product information, including trade name, manufacturer details, ingredients, nutritional value, classification, and expiration dates, is clearly and accurately presented.

SMFB aligns its marketing and labeling practices with these requirements to support informed consumer choices and protect brand integrity. As regulations evolve, the Group proactively reviews its materials and processes to maintain compliance. Clear, accurate, and responsible communication also helps strengthen consumer confidence and helps mitigate risks related to misrepresentation, regulatory non-compliance, and reputational impact.

For alcoholic beverages, marketing practices carry additional responsibility, as inappropriate messaging or targeting may result in regulatory sanctions and reputational risks. Ensuring that communications promote responsible consumption and are directed only to appropriate adult audiences are critical to maintaining public trust.

**Key Stakeholders Affected:** Shareholders and Investors, Government Bodies and Regulators, Suppliers and Vendors, Customers and Consumers, Employees, and Local Communities

## **Management Approach to Impacts and Risks**

SMFB adheres to established marketing and labeling standards to ensure compliance and maintain consumer trust. Advertising is guided by the Advertising Standards Council's rules on

responsible advertising, which include screening procedures and mechanisms for resolving content-related concerns.

For alcoholic beverages, the Group promotes responsible drinking across all marketing materials through moderation messaging such as “Drink Responsibly.” Marketing communications are designed to reach appropriate adult audiences and avoid content that may encourage excessive consumption or misrepresent the effects of alcohol.

Product labeling complies with regulations set by relevant agencies such as the Philippine FDA and DTI, ensuring that information is accurate, clear, and aligned with national standards on health, safety, and consumer protection. These practices are supported by internal review processes that help mitigate risks related to non-compliance and ensure consistency across brands and products.

### Opportunities and Management Approach

The Group continues to enhance its marketing, advertising, and labeling practices to improve clarity, accuracy, and consumer engagement. Collaboration with industry peers and regulators supports alignment with evolving standards and expectations.

In the Food segment, opportunities include communicating nutritional improvements and supporting national health initiatives, strengthening consumer perception and trust. In alcoholic beverages, the Group continues to promote responsible consumption through targeted messaging and campaigns, while adapting to evolving consumer preferences toward moderation.

Through these efforts, SMFB reinforces transparency, supports consumer protection, and sustains long-term brand value.

### Customer Privacy

| Disclosure                                                                                   | 2025 | 2024 | Unit  |
|----------------------------------------------------------------------------------------------|------|------|-------|
| No. of substantiated complaints on customer privacy                                          | 0    | 0    | Count |
| No. of complaints addressed                                                                  | 0    | 0    | Count |
| No. of customers, users and account holders whose information is used for secondary purposes | 0    | 0    | Count |

## Impacts and Risks

The Group handles personal data from customers, suppliers, and employees through channels such as market research, marketing initiatives, and consumer feedback platforms, supporting product improvement and stakeholder engagement.

Recognizing the importance of data privacy, SMFB is committed to protecting personal information and complying with the Data Privacy Act of 2012, its Implementing Rules and Regulations, and other related issuances. While risks such as unauthorized access or data loss exist, the Group implements robust safeguards and regularly reviews its data protection practices to ensure security, maintain compliance, and uphold stakeholder trust.

Key Stakeholders Affected: Shareholders and Investors, Government Bodies and Regulators, Suppliers and Vendors, Customers and Consumers, Employees, and Local Communities

## Management Approach to Impacts and Risks

SMFB is committed to safeguarding personal data and ensuring it is used only for its intended purpose. This is outlined in its Privacy Statement, which requires consent prior to website access:

<https://www.smfb.com.ph/page/website-privacy-statement>

SMFB's Personal Data Privacy Policy is guided by principles of transparency, legitimate use, and proportionality, and is compliant with the Data Privacy Act of 2012. SMFB and its Beer and NAB, Food, and Spirits segments each have designated a Data Protection Officer (DPO) to oversee compliance and address privacy concerns. The said policy is available for viewing at the Company's website: [https://www.smfb.com.ph/files/reports/SMFB\\_DataPrivacyPolicy1.pdf](https://www.smfb.com.ph/files/reports/SMFB_DataPrivacyPolicy1.pdf).

Robust safeguards are in place, including secure data storage, controlled access, regular audits, and ongoing training to protect information integrity.

During the reporting period, SMFB recorded no customer privacy breaches and no incidents of non-compliance with privacy regulations.

## Opportunities and Management Approach

SMFB recognizes data privacy as both a responsibility and an opportunity to strengthen consumer trust and reputation. The Group remains committed to complying with applicable laws and continuously enhancing its data protection practices in line with evolving regulations and industry standards.

Policies and processes are regularly reviewed and updated to reflect legal, technological, and regulatory developments. SMFB implements robust security measures, including encryption, controlled access, and regular audits, supported by ongoing employee training to reinforce accountability and compliance.

The Group also promotes transparency by strengthening communication with customers on how their data is collected, used, and protected. Oversight by designated DPOs ensures consistent adherence to privacy standards.

Through these efforts, SMFB reinforces trust, enhances transparency, and strengthens its position as a responsible steward of personal data.

#### Data Security

| Disclosure                                                        | 2025 | 2024 | Unit  |
|-------------------------------------------------------------------|------|------|-------|
| No. of data breaches, including leaks, thefts, and losses of data | 0    | 0    | Count |

#### **Impacts and Risks**

The Group manages a significant volume of information assets, including sensitive personal data from customers, suppliers, and employees, stored across electronic systems and digital platforms. As SMFB advances its digital transformation, the use of cloud, network, and related technologies continues to expand, improving efficiency and connectivity.

This increased digital integration also introduces data security risks, including cybersecurity threats such as phishing, ransomware, unauthorized access, as well as system vulnerabilities and human error. SMFB addresses these through continuous system enhancements, strengthened data protection protocols, and ongoing employee awareness.

Compliance with data privacy regulations, including the Data Privacy Act of 2012, remains a key priority. The Group is committed to protecting the confidentiality, integrity, and availability of its data, while reinforcing stakeholder trust. As technology evolves, SMFB continues to enhance its data protection measures to support operational continuity and safeguard sensitive information.

**Key Stakeholders Affected:** Shareholders and Investors, Government Bodies and Regulators, Customers and Consumers, Suppliers and Vendors, Employees, and Local Communities



## Management Approach to Impacts and Risks

SMFB is committed to safeguarding customer privacy through a structured and proactive data protection framework anchored on transparency, legitimate use, and proportionality. These principles ensure that personal information is collected and processed only for its intended purpose and are outlined in the Company's Privacy Statement, available on its website.

The Company's Personal Data Privacy Policy serves as the foundation of SMFB's privacy management, aligning with the Data Privacy Act of 2012, its Implementing Rules and Regulations, and issuances from the National Privacy Commission. The policy is regularly reviewed to reflect evolving requirements and best practices. SMFB, SMB, SMF, and GSMI have each designated a DPO to oversee implementation, ensure compliance, and address privacy-related concerns.

Employee awareness is reinforced through regular training and integration of data privacy practices into daily operations. The Group also implements strict access controls, encryption, and continuous monitoring to protect against unauthorized access and data breaches.

During the reporting period, no complaints or incidents of non-compliance related to customer privacy were recorded, reflecting SMFB's strong commitment to responsible data management and stakeholder trust.

The full Personal Data Privacy Policy can be accessed on the Company's website at:

[https://www.smfb.com.ph/files/reports/SMFB\\_DataPrivacyPolicy1.pdf](https://www.smfb.com.ph/files/reports/SMFB_DataPrivacyPolicy1.pdf)

## Opportunities and Management Approach

SMFB continues to enhance its data privacy and information security practices, recognizing the need for constant vigilance in an evolving risk landscape. The Group is adopting advanced technologies to strengthen data protection and ensure compliance with regulatory and industry standards.

Initiatives include the integration of cloud solutions, off-site storage, and advanced encryption to improve data security, accessibility, and resilience. New systems are also being implemented to streamline data management and strengthen overall security controls.

Aligned with the broader SMC Group, SMFB is investing in a Security Operations Center to enhance its ability to detect, manage, and respond to cybersecurity threats such as phishing, ransomware, and unauthorized access. This is supported by real-time monitoring and analytics to improve incident response and risk mitigation.

The Group regularly reviews its internal controls and security protocols to ensure they remain robust and responsive to emerging threats. Ongoing employee training further reinforces awareness and adherence to data protection practices.

Through these efforts, SMFB strengthens its privacy framework, supports operational resilience, and reinforces trust among its stakeholders.

## Enterprise Risk Management

<http://www.smfb.com.ph/page/enterprise-risk-management>

## Code of Business Conduct and Ethics

[https://www.smfb.com.ph/files/reports/SMFB\\_Code\\_of\\_Business\\_Conduct\\_and\\_Ethics\\_3.pdf](https://www.smfb.com.ph/files/reports/SMFB_Code_of_Business_Conduct_and_Ethics_3.pdf)

[https://www.sanmiguel.com.ph/storage/files/reports/SMC\\_Code\\_of\\_Conduct\\_and\\_Ethical\\_Business\\_Policy\\_Final.pdf](https://www.sanmiguel.com.ph/storage/files/reports/SMC_Code_of_Conduct_and_Ethical_Business_Policy_Final.pdf)

## Charter of the Board of Directors

[https://www.smfb.com.ph/files/reports/SMFB\\_Charter\\_of\\_the\\_Board\\_of\\_Directors.pdf](https://www.smfb.com.ph/files/reports/SMFB_Charter_of_the_Board_of_Directors.pdf)

## Manual on Corporate Governance

[https://www.smfb.com.ph/files/reports/SMFB\\_Manual\\_on\\_Corporate\\_Governance\\_approved\\_on\\_August\\_6,\\_2025.pdf](https://www.smfb.com.ph/files/reports/SMFB_Manual_on_Corporate_Governance_approved_on_August_6,_2025.pdf)

## Company Policies

<https://www.smfb.com.ph/articles/company-policies>

## OUR SUSTAINABILITY FRAMEWORK

### Sustainability Framework

San Miguel Food and Beverage, Inc., along with its divisions under San Miguel Brewery Inc., San Miguel Foods, and Ginebra San Miguel Inc., is committed to being a constant presence in the daily lives and significant milestones of Filipinos. As one of the country's largest and most enduring food and beverage companies, with over 135 years of history, our responsibility goes beyond achieving financial success.

As our operating environment continues to evolve, the Group has recognized the need to refresh its identity and purpose. About two years ago, SMFB's operating divisions introduced updated versions of their Vision and Core Purpose to better align with today's realities. This renewed focus emphasizes key priorities such as flexibility, diversity, and sustainability, ensuring the Group remains responsive to the issues that matter most to its stakeholders and society.

As a key subsidiary of San Miguel Corporation, SMFB has aligned its sustainability priorities with those of its parent company. The Group is committed to pursuing initiatives that create meaningful, lasting impacts, benefiting not only the present but also future generations.

As part of this evolution, in 2025, SMFB also refreshed its Vision and Core Purpose to more clearly reflect its role in enriching everyday life and strengthening its connection with consumers and communities. These statements articulate the Group's long-term aspirations and guiding principles, grounded in Filipino values and a commitment to quality, accessibility, and shared progress. Together, they reinforce SMFB's direction as it continues to grow responsibly while creating meaningful impact across the communities it serves.



### SAN MIGUEL FOOD AND BEVERAGE INC.'S VISION AND CORE PURPOSE

#### VISION

To be the Philippines' most trusted and beloved food and beverage company with valued presence worldwide—bringing nourishment, joy, and Filipino warmth to every table, every toast, and every gathering.

#### CORE PURPOSE

We create high-quality, safe, and accessible food and beverages that bring people together, enriching everyday life, and spreading cheer in every celebration.

Rooted in Filipino values and a tradition of excellence, we empower our people, nurture lasting relationships, and care for the environment and our communities.

## SAN MIGUEL CORPORATION'S SUSTAINABILITY BLUEPRINT



### THE SAN MIGUEL GROUP VISION

A resilient and globally competitive Philippines where everyone can enrich and enjoy their lives

### OUR CORE PURPOSE

To lead in nation-building by creating opportunities that will uplift generations of Filipinos, allowing all to share in the rewards of sustainable development and prosperity

### OUR CORE VALUE - MALASAKIT

**Excellence** - We believe in doing our best. We think innovation. We help our people succeed.

**Accountability** - We do what is right. We take accountability for our decisions.

**Sustainability** - We are a good neighbor. We advocate sustainable development.

### OUR SUSTAINABILITY AGENDA

We envision a WORLD OF GOOD, where our business fosters a sustainable future that is good for planet, good for people & good for progress, benefiting present and future generations of Filipinos.



**KALIKASAN**  
Good for Planet



**KALINGA**  
Good for People



**KASAGANAHAN**  
Good for Progress

- 1 Establish a circular economy approach by 2040
- 2 Net Zero by 2050
- 3 At least 15 million people uplifted by 2030
- 4 A fully sustainable and ethical supply chain by 2040

### OUR BUSINESSES



The SMC Group's Sustainability Blueprint serves as both a guide and a roadmap toward achieving our goals. It is designed to inspire, transform, and strengthen a culture grounded in more sustainable practices. Through this blueprint, the SMC Group aim to provide innovative and lasting solutions to the critical challenges faced by our communities, our country, and the environment.

By aligning its strategies with its commitment to Kalikasan (Good for Planet), Kalinga (Good for People), and Kasaganaan (Good for Progress), the SMC Group is determined to drive positive change that ensures prosperity, inclusivity, and sustainability for present and future generations.

## SUSTAINABILITY HIGHLIGHTS

The following are some of the key initiatives implemented by SMFB and its subsidiaries that actively support and advance the United Nations Sustainable Development Goals (UN SDGs):

| COMPANY                                          | KEY PRODUCTS & SERVICES, SOCIETAL IMPACT, AND ALIGNMENT WITH THE UN SDGs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | POTENTIAL NEGATIVE IMPACTS                                                                                                        | MITIGATION STRATEGIES & MANAGEMENT APPROACHES                                                                                                                             |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>San Miguel Food and Beverage, Inc. (SMFB)</b> | <p>Produces and distributes a diverse range of food and beverage products including beer, spirits, poultry, animal feeds, pet care products, veterinary medicines, flour, fresh and processed meats, dairy products, spreads, and coffee.</p> <p>Supports economic growth through its extensive distribution network and exports to 70 markets worldwide.</p> <p>Aligns with SDGs: 1 (No Poverty), 2 (Zero Hunger), 3 (Good Health and Well-being), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 12 (Responsible Consumption and Production).</p> | Environmental impact from manufacturing processes including carbon emissions, waste generation, water usage, and packaging waste. | Implementing cleaner energy sources, improving resource efficiency, enhancing recycling efforts, adopting renewable materials, and promoting circular economy approaches. |

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                 |                                                                                                                                                                                                                      |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      |                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                 |                                                                                                                                                                                                                      |
| <b>San Miguel Brewery Inc. (SMB)</b> | <p>Produces and markets beer brands such as San Miguel Pale Pilsen, San Mig Light, and Red Horse. Operates 7 production facilities nationwide.</p> <p>Aligns with SDGs: 6 (Clean Water and Sanitation), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 12 (Responsible Consumption and Production).</p>  | <p>Environmental impact from manufacturing processes, including emissions, waste, and water use. Non-compliance with evolving environmental regulations poses legal and reputational risks.</p> | <p>Improved energy efficiency, transitioning to cleaner energy, enhancing water use efficiency, bottle recovery and reuse programs, and promoting responsible marketing practices.</p>                               |
| <b>San Miguel Foods (SMF)</b>        | <p>Produces food products including fresh chicken, meats, processed meats, flour, premixes, margarine, cheese, and plant-based meats. Contributes to food security through accessible and affordable nutrition.</p> <p>Aligns with SDGs: 2 (Zero Hunger), 3 (Good Health</p>                                                                                                                                                    | <p>High sodium content in processed foods may lead to health issues like high blood pressure, heart disease, and stroke. Waste generation from packaging and agricultural processes.</p>        | <p>Reformulating products to reduce sodium, introducing fortified products, promoting balanced diets, enhancing recycling programs, utilizing renewable materials, and employing resource-efficient technologies</p> |

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                    |                                                                                                                                                                                  |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | <p>and Well-being), 12 (Responsible Consumption and Production).</p>                                                                                                                                                                                                                                                           |                                                                                                                                                                                    |                                                                                                                                                                                  |
| <p><b>Ginebra San Miguel Inc. (GSMI)</b></p> | <p>Produces popular spirits, including <i>Ginebra San Miguel</i>, <i>GSM Blue Mojito</i>, and <i>Primera Light Brandy</i>. Supports economic growth through dealer networks.</p> <p>Aligns with SDGs: 3 (Good Health and Well-being), 8 (Decent Work and Economic Growth), 12 (Responsible Consumption and Production).</p>  | <p>Potential health risks associated with alcohol consumption including addiction and alcohol-related diseases. Environmental risks from glass bottle production and disposal.</p> | <p>Promoting responsible drinking campaigns, improving bottle retrieval and reuse programs, adhering to government regulations, and supporting health awareness initiatives.</p> |

### Company-Wide Sustainability Initiatives and Practices

SMFB, along with its divisions under SMB, SMF, and GSMI, is committed to implementing sustainability practices that span across all business units. These initiatives are designed to enhance customer welfare, ensure product safety and quality, promote responsible sourcing, and improve environmental performance throughout their operations.

The following practices reflect SMFB's integrated approach to sustainability, aligned with globally recognized standards and targeted toward achieving various UN SDGs:

| Practice                                     | Description                                                                                                                                                                                                                                                                                | Mitigation Strategies & Management Approaches                                                                                                                                                                       | Aligned SDGs                                                                                                                                                                                                                                                                                 |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Customer Welfare &amp; Responsibility</b> | Ensuring product and service safety through rigorous safety standards, including compliance with the Department of Agriculture (DA), National Meat Inspection Service (NMIS), Bureau of Animal Industry (BAI), Food and Drug Administration (FDA), and GMP regulations.                    | Implementation of ISO standards, FSSC, and rigorous internal audits. Supplier evaluation and risk assessments are strictly enforced.                                                                                | <p>3 (Good Health and Well-being)</p> <p>12 (Responsible Consumption and Production).</p>                              |
| <b>Food Safety &amp; Quality</b>             | Ensures that all products, including food, non-alcoholic beverages, spirits, and beer, meet rigorous safety and quality standards throughout the entire supply chain. Compliance with local and international standards is maintained to ensure product integrity, safety, and excellence. | Implementation of robust quality management systems, including ISO standards, FSSC, GMP, and HACCP. Regular audits, employee training, and continuous improvement programs are applied across all production lines. | <p>2 (Zero Hunger)</p> <p>3 (Good Health and Well-being)</p> <p>12 (Responsible Consumption and Production).</p>   |



|                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                        |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Antibiotic Use for Poultry (SMF)</b>    | Restricts antibiotic use to essential treatment purposes only. Strictly prohibits antibiotics classified by WHO as "Highest Priority Critically Important" for human medicine.                                                                                                                                       | Observance of the Department of Agriculture - Bureau of Animal Industry (DA-BAI) guidelines, adherence to mandated withdrawal periods, ensures supervision by licensed veterinarians, and promotes responsible antibiotic use.                                               | <p>2 (Zero Hunger)</p> <p>3 (Good Health and Well-being)</p> <p>12 (Responsible Consumption and Production).</p>    |
| <b>Nutrition (SMF)</b>                     | Enhances nutritional quality of products by prioritizing consumer health and well-being. Aims to reduce sodium, sugar, total fat, and trans fats, while increasing beneficial ingredients and fortification.                                                                                                         | Implementation of phased reduction strategies for sodium and sugar, promotes healthier product portfolios, and strengthens partnerships with regulatory bodies and experts.                                                                                                  | <p>2 (Zero Hunger)</p> <p>3 (Good Health and Well-being)</p> <p>12 (Responsible Consumption and Production).</p>  |
| <b>Product Labeling &amp; Transparency</b> | Ensures that all products, including food, non-alcoholic beverages, spirits, and beer, are clearly labeled with accurate and comprehensive information. Labels provide essential details such as nutritional content, ingredients, allergens, alcohol content, serving size, and product origin, as the case may be, | Compliance with FDA regulations and other applicable standards, adherence to labeling requirements under FDA Administrative Order No. 2014-0030, and continuous improvement in transparency and accuracy. Regular audits, updates to packaging information, and adherence to | <p>3 (Good Health and Well-being)</p> <p>12 (Responsible Consumption and Production).</p>                         |

|  |                                      |                                                   |  |
|--|--------------------------------------|---------------------------------------------------|--|
|  | to enable informed consumer choices. | international best practices in product labeling. |  |
|--|--------------------------------------|---------------------------------------------------|--|

|                                                    |                                                                                                                       |                                                                                                                                                                         |                                                                                                                                                                                                                                          |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Sustainable Packaging &amp; Disposal</b></p> | <p>Complies with the EPR Law, utilizes eco-labels, and aligns with the International Resin Identification System.</p> | <p>Enhances recycling programs, promotes the use of eco-friendly packaging materials, and ensures proper disposal through clear labeling and responsible marketing.</p> | <p>12 (Responsible Consumption and Production).</p> <p>14 (Life Below Water)</p> <p>15 (Life on Land)</p> <div data-bbox="1125 533 1401 801">  </div> |
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