SAN MIGUEL CORPORATION

November 16, 2026

Philippine Dealing & Exchange Corp.
29th 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.

Re: San Miguel Corporation (the "Company")
SEC Form 17-Q (3rd Quarter Report for 2026)

Gentlemen:

Please see attached disclosure of the Company.

Very truly yours,

MARY ROSE S. TAN
Assistant Corporate Secretary

COVER SHEET

P	W	-	2	7	7				

S. E. C. Registration Number

							S	A	N										
						M	I	G	U	E	L								
			C	O	R	P	O	R	A	T	I	O	N						

(Company's Full Name)

N	O	.	4	0		S	A	N		M	I	G	U	E	L		A	V	E
M	A	N	D	A	L	U	Y	O	N	G		C	I	T	Y				
M	E	T	R	O		M	A	N	I	L	A								
P	H	I	L	I	P	P	I	N	E	S									

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

Atty. Mary Rose S. Tan

Contact Person

(632) 632-3000

Company Telephone Number

1	2

Month

3	1

Day

SEC Form 17-Q (3rd Quarter of 2026)

FORM TYPE

Month Day

2nd Tuesday of June

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Number/Section

Amended Articles

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

- - - - - - - - - - - - - - - - - -

S T A M P S

- - - - - - - - - - - - - - - - - -

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **September 30, 2026**

2. Commission identification number **PW00000227**

3. BIR Tax Identification No. **000-060-741-000**

4. Exact name of issuer as specified in its charter **SAN MIGUEL CORPORATION**

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

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

7. **No. 40 San Miguel Avenue, Mandaluyong City, Metro Manila** — **1550**
   Address of issuer's principal office — Postal Code

8. **(632) 8632-3000**
   Issuer's telephone number, including area code

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

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

	Number of Shares of Stock and Debt Outstanding as of September 30, 2026
Common Shares	2,383,896,588
Series "2-L" Preferred Shares	165,358,600
Series "2-M" Preferred Shares	173,333,325
Series "2-N" Preferred Shares	100,115,100
Series "2-O" Preferred Shares	187,859,700
Series "2-P" Preferred Shares	171,370,380
Series "2-Q" Preferred Shares	53,815,840
Series "2-R" Preferred Shares	26,287,800
Series "2-S" Preferred Shares	179,837,540
Series "2-T" Preferred Shares	73,983,880
Series "2-U" Preferred Shares	146,178,580
Series "2-V" Preferred Shares	192,269,030
Series "2-W" Preferred Shares	104,558,760
Series "2-X" Preferred Shares	103,172,210
Total Preferred Shares	**1,678,140,745**
Total Liabilities	P2,241,540 million

11. Are any or all of registrant's securities listed on a Stock Exchange?
Yes [√] No [ ]

If yes, disclose name of the Stock Exchange and class of securities listed therein:
Philippine Stock Exchange

(a) Common Shares
(b) Series "2" Preferred Shares - 2-L
(c) Series "2" Preferred Shares - 2-M
(d) Series "2" Preferred Shares - 2-N
(e) Series "2" Preferred Shares - 2-O
(f) Series "2" Preferred Shares - 2-P
(g) Series "2" Preferred Shares - 2-Q
(h) Series "2" Preferred Shares - 2-R
(i) Series "2" Preferred Shares - 2-S
(j) Series "2" Preferred Shares - 2-T
(k) Series "2" Preferred Shares - 2-U
(l) Series "2" Preferred Shares - 2-V
(m) Series "2" Preferred Shares - 2-W
(n) Series "2" Preferred Shares - 2-X

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months.
Yes [√] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [√] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements of San Miguel Corporation ("SMC" or "Parent Company") and its subsidiaries (collectively, the "Group") as of and for the period ended September 30, 2026 (with comparative figures as of December 31, 2025 and for the period ended September 30, 2025) and Selected Notes to the Consolidated Financial Statements is hereto attached as **Annex "A"**.

Item 2. Management's Discussion and Analysis of Financial Position and Financial Performance.

The information required by Part III, Paragraph (A)(2)(b) of "Annex C, as amended" is attached hereto as **Annex "B"**.

PART II--OTHER INFORMATION

The Company may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C, which otherwise be required to be filed with respect to such information, or in a subsequent report on Form 17-Q.

NONE

SIGNATURES

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

Issuer	**SAN MIGUEL CORPORATION**
Signature and Title	**BRYAN U. VILLANUEVA** Chief Finance Officer
Date	November 13, 2026
Signature and Title	**BELLA O. NAVARRA** Comptrollership Manager/ Principal Accounting Officer
Date	November 13, 2026

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2026 AND DECEMBER 31, 2025
(In Millions)

	Note	2026 Unaudited	2025 Audited
ASSETS			
Current Assets			
Cash and cash equivalents	*8, 9*	**P452,765**	P351,715
Trade and other receivables - net	*4, 8, 9*	**248,645**	247,559
Inventories		**208,233**	145,800
Current portion of biological assets - net		**3,342**	3,074
Prepaid taxes and licenses		**95,317**	103,105
Prepaid expenses and other current assets	*4, 8, 9*	**43,901**	31,689
Total Current Assets		**1,052,203**	882,942
Noncurrent Assets			
Investments and advances - net	*2, 4*	**190,095**	127,258
Investments in equity and debt instruments	*4, 8, 9*	**48,343**	47,862
Property, plant and equipment - net	*5*	**828,216**	808,450
Right-of-use assets - net		**44,338**	44,210
Investment property - net		**106,295**	96,431
Biological assets - net of current portion		**2,791**	2,661
Goodwill - net		**186,994**	186,145
Other intangible assets - net		**380,857**	359,842
Contract assets		**78,667**	69,563
Deferred tax assets		**32,728**	23,196
Other noncurrent assets - net	*4, 8, 9*	**99,947**	77,600
Total Noncurrent Assets		**1,999,271**	1,843,218
		P3,051,474	P2,726,160
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	*2, 4, 8, 9*	**P228,941**	P230,592
Accounts payable and accrued expenses	*4, 8, 9*	**285,511**	254,023
Lease liabilities - current portion	*4, 8, 9*	**9,183**	7,994
Income and other taxes payable		**40,762**	41,753
Dividends and distributions payable	*4, 7, 8, 9*	**3,216**	4,639
Current maturities of long-term debt - net of debt issue costs	*2, 4, 8, 9*	**286,170**	176,286
Total Current Liabilities		**853,783**	715,287
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	*2, 4, 8, 9*	**1,306,592**	1,181,010
Lease liabilities - net of current portion	*4, 8, 9*	**24,291**	27,837
Deferred tax liabilities		**30,380**	29,303
Other noncurrent liabilities	*4, 8, 9*	**26,494**	25,383
Total Noncurrent Liabilities		**1,387,757**	1,263,533
Total Liabilities		**2,241,540**	1,978,820

Forward

	2026 Unaudited	2025 Audited
Equity		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock - common	**P16,443**	P16,443
Capital stock - preferred	**10,187**	10,187
Additional paid-in capital	**176,922**	177,151
Equity reserves	**(1,738)**	15,624
Retained earnings:		
Appropriated	**123,141**	85,931
Unappropriated	**89,777**	129,390
Treasury stock	**(94,045)**	(111,345)
	320,687	323,381
Non-controlling Interests	**489,247**	423,959
Total Equity	**809,934**	747,340
	P3,051,474	P2,726,160

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

BELLA O. NAVARRA
SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2026 AND 2025
(In Millions, Except Per Share Data)

				For the Quarter Ended	
	Note	2026 Unaudited	2025 Unaudited	2026 Unaudited	2025 Unaudited
SALES	2, 4	**P1,465,420**	P1,091,119	**P501,318**	P372,914
COST OF SALES		**1,244,406**	882,676	**435,578**	299,338
GROSS PROFIT		**221,014**	208,443	**65,740**	73,576
SELLING AND ADMINISTRATIVE EXPENSES		**(79,216)**	(71,059)	**(26,231)**	(23,850)
INTEREST EXPENSE AND OTHER FINANCING CHARGES	2, 4	**(81,826)**	(74,474)	**(30,590)**	(25,545)
INTEREST INCOME	4	**13,970**	11,978	**4,935**	4,136
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES		**10,525**	8,013	**3,270**	2,874
GAIN ON SALE OF PROPERTY AND EQUIPMENT		**1,961**	898	**1,275**	32
OTHER INCOME (CHARGES) - Net	3, 4, 8, 9	**(26,556)**	17,319	**(5,346)**	(14,334)
INCOME BEFORE INCOME TAX		**59,872**	101,118	**13,053**	16,889
INCOME TAX EXPENSE		**12,525**	22,475	**3,380**	5,013
NET INCOME		**P47,347**	P78,643	**P9,673**	P11,876
Attributable to:					
Equity holders of the Parent Company		**P6,353**	P39,210	**(P4,739)**	(P1,570)
Non-controlling interests		**40,994**	39,433	**14,412**	13,446
		P47,347	P78,643	**P9,673**	P11,876
Basic and Diluted Earnings (Loss) Per Common Share Attributable to Equity Holders of the Parent Company	6	**P0.08**	P13.59	**(P2.93)**	(P1.51)
Cash Dividends Declared Per Common Share	7	**P1.05**	P1.05	**P0.35**	P0.35

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

BELLA O. NAVARRA
SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2026 AND 2025
(In Millions)

	Note	2026 Unaudited	2025 Unaudited	For the Quarter Ended 2026 Unaudited	For the Quarter Ended 2025 Unaudited
NET INCOME		**P47,347**	P78,643	**P9,673**	P11,876
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss					
Remeasurement gain (loss) on defined benefit retirement plan		**6**	(7)	**8**	(1)
Income tax benefit (expense)		**(2)**	2	**(2)**	-
Net gain (loss) on financial assets at fair value through other comprehensive income		**(7,321)**	42,612	**(7,130)**	19,661
Income tax benefit (expense)		**5**	(808)	**4**	(118)
Share in other comprehensive income of associates and joint ventures - net		**62**	3	**4**	3
		(7,250)	41,802	**(7,116)**	19,545
Items that may be reclassified to profit or loss					
Net gain on exchange differences on translation of foreign operations		**4,731**	3,719	**1,486**	2,730
Net gain (loss) on financial assets at fair value through other comprehensive income		**(21)**	27	**(11)**	4
Income tax benefit (expense)		**5**	(7)	**3**	(1)
Net loss on cash flow hedges	9	**(2,396)**	(580)	**(539)**	(956)
Income tax benefit		**599**	145	**135**	239
Share in other comprehensive income (loss) of associates and joint ventures - net		**(851)**	227	**(320)**	147
		2,067	3,531	**754**	2,163
OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax		**(5,183)**	45,333	**(6,362)**	21,708
TOTAL COMPREHENSIVE INCOME - Net of tax		**P42,164**	P123,976	**P3,311**	P33,584
Attributable to:					
Equity holders of the Parent Company		**(P1,263)**	P82,933	**(P11,894)**	P18,712
Non-controlling interests		**43,427**	41,043	**15,205**	14,872
		P42,164	P123,976	**P3,311**	P33,584

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

BELLA C. NAVARRA
SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2026 AND 2025
(In Millions)

		Equity Attributable to Equity Holders of the Parent Company													
					Equity Reserves										
		Capital Stock		Additional	Reserve for				Other	Retained Earnings		Treasury		Non-	
	Note	Common	Preferred	Paid-in Capital	Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Equity Reserve	Appro-priated	Unappro-priated	Stock - Preferred	Total	controlling Interests	Total Equity
As at January 1, 2026 (Audited)		**P16,443**	**P10,187**	**P177,151**	**(P11,303)**	**(P1,447)**	**P23,266**	**P9,259**	**(P4,151)**	**P85,931**	**P129,390**	**(P111,345)**	**P323,381**	**P423,959**	**P747,340**
Net gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	2,301	-	-	-	-	2,301	2,430	4,731
Share in other comprehensive income (loss) of associates and joint ventures - net		-	-	-	-	-	(797)	8	-	-	-	-	(789)	-	(789)
Net loss on cash flow hedges	9	-	-	-	-	(1,797)	-	-	-	-	-	-	(1,797)	-	(1,797)
Net loss on financial assets at fair value through other comprehensive income		-	-	-	-	-	(7,330)	-	-	-	-	-	(7,330)	(2)	(7,332)
Remeasurement gain (loss) on defined benefit retirement plan		-	-	-	(1)	-	-	-	-	-	-	-	(1)	5	4
Other comprehensive income (loss)		-	-	-	(1)	(1,797)	(8,127)	2,309	-	-	-	-	(7,616)	2,433	(5,183)
Net income		-	-	-	-	-	-	-	-	-	6,353	-	6,353	40,994	47,347
Total comprehensive income (loss)		-	-	-	(1)	(1,797)	(8,127)	2,309	-	-	6,353	-	(1,263)	43,427	42,164
Reissuance of treasury shares - preferred		-	-	(229)	-	-	-	-	-	-	-	30,000	29,771	-	29,771
Redemption of preferred shares		-	-	-	-	-	-	-	-	-	-	(12,700)	(12,700)	-	(12,700)
Net addition to non-controlling interests and others		-	-	-	(6)	-	-	6	(9,746)	-	(161)	-	(9,907)	60,964	51,057
Appropriations - net		-	-	-	-	-	-	-	-	37,210	(37,210)	-	-	-	-
Cash dividends and distributions:	7														
Common		-	-	-	-	-	-	-	-	-	(2,503)	-	(2,503)	(14,148)	(16,651)
Preferred		-	-	-	-	-	-	-	-	-	(6,092)	-	(6,092)	(2,139)	(8,231)
Capital securities		-	-	-	-	-	-	-	-	-	-	-	-	(22,816)	(22,816)
As at September 30, 2026 (Unaudited)		**P16,443**	**P10,187**	**P176,922**	**(P11,310)**	**(P3,244)**	**P15,139**	**P11,574**	**(P13,897)**	**P123,141**	**P89,777**	**(P94,045)**	**P320,687**	**P489,247**	**P809,934**

Forward

	Note	Equity Attributable to Equity Holders of the Parent Company															
		Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Equity Reserves					Retained Earnings		Treasury Stock		Total	Non-controlling Interests	Total Equity
		Common	Preferred			Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Appro-priated	Unappro-priated	Common	Preferred			
As at January 1, 2025 (Audited)		P16,443	P10,187	P177,442	P24,211	(P11,767)	(P681)	P671	P5,089	P1,413	P79,849	P89,413	(P67,093)	(P42,670)	P282,507	P393,934	P676,441
Net gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	2,115	-	-	-	-	-	2,115	1,604	3,719
Share in other comprehensive income (loss) of associates and joint ventures - net		-	-	-	-	-	-	229	(1)	-	-	-	-	-	228	2	230
Net loss on cash flow hedges		-	-	-	-	-	(435)	-	-	-	-	-	-	-	(435)	-	(435)
Net gain on financial assets at fair value through other comprehensive income		-	-	-	-	-	-	19,558	-	22,262	-	-	-	-	41,820	4	41,824
Remeasurement loss on defined benefit retirement plan		-	-	-	-	(5)	-	-	-	-	-	-	-	-	(5)	-	(5)
Other comprehensive income (loss)		-	-	-	-	(5)	(435)	19,787	2,114	22,262	-	-	-	-	43,723	1,610	45,333
Net income		-	-	-	-	-	-	-	-	-	-	39,210	-	-	39,210	39,433	78,643
Total comprehensive income (loss)		-	-	-	-	(5)	(435)	19,787	2,114	22,262	-	39,210	-	-	82,933	41,043	123,976
Reclassification of treasury shares		-	-	-	-	-	-	-	-	-	-	-	67,093	(67,093)	-	-	-
Redemption of preferred shares		-	-	-	-	-	-	-	-	-	-	-	-	(16,650)	(16,650)	-	(16,650)
Redemption of capital securities		-	-	-	(24,211)	-	-	-	-	-	-	(4,444)	-	-	(28,655)	-	(28,655)
Transfer of net gain on financial assets at fair value through other comprehensive income		-	-	-	-	-	-	-	-	(22,262)	-	22,262	-	-	-	-	-
Net addition to non-controlling interests and others		-	-	-	-	(271)	-	(14)	53	(4,248)	-	(164)	-	-	(4,644)	23,391	18,747
Appropriations - net		-	-	-	-	-	-	-	-	-	4,417	(4,417)	-	-	-	-	-
Cash dividends and distributions:	7																
Common		-	-	-	-	-	-	-	-	-	-	(2,503)	-	-	(2,503)	(11,505)	(14,008)
Preferred		-	-	-	-	-	-	-	-	-	-	(5,562)	-	-	(5,562)	(1,604)	(7,166)
Capital securities		-	-	-	-	-	-	-	-	-	-	(2,122)	-	-	(2,122)	(16,042)	(20,164)
As at September 30, 2025 (Unaudited)		P16,443	P10,187	P177,442	P -	(P12,043)	(P1,116)	P20,444	P7,256	(P2,835)	P84,266	P131,673	P -	(P126,413)	P305,304	P427,217	P732,521

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

BELLA O. NAVARRA
SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2026 AND 2025
(In Millions)

	Note	2026 Unaudited	2025 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**P59,872**	P101,118
Adjustments for:			
Interest expense and other financing charges		**81,826**	74,474
Depreciation, amortization and others - net	*5*	**47,715**	47,677
Unrealized loss on foreign exchange - net	*3*	**43,538**	2,661
Gain on fair valuation of investment	*3*	**-**	(21,933)
Interest income		**(13,970)**	(11,978)
Equity in net earnings of associates and joint ventures		**(10,525)**	(8,013)
Gain on sale of property and equipment		**(1,961)**	(898)
Operating income before working capital changes		**206,495**	183,108
Changes in current assets, certain current liabilities and others		**(22,508)**	15,334
Cash generated from operations		**183,987**	198,442
Interest and other financing charges paid		**(81,150)**	(72,294)
Income taxes paid		**(21,162)**	(19,294)
Net cash flows provided by operating activities		**81,675**	106,854
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investments and advances	*4*	**(70,181)**	(18,942)
Property, plant and equipment	*5*	**(63,463)**	(40,308)
Other intangible assets		**(26,998)**	(18,677)
Advances to contractors and suppliers		**(19,291)**	(4,936)
Investment property		**(14,149)**	(3,623)
Contract assets		**(5,722)**	(6,507)
Investments in equity and debt instruments		**(2,443)**	(4,742)
Increase in other noncurrent assets and others		**(12,877)**	(11,839)
Cash and cash equivalents of deconsolidated subsidiaries		**-**	(5,679)
Interest received		**13,990**	12,550
Collection of advances	*4*	**9,326**	12,084
Net proceeds of:			
Sale of property and equipment		**7,157**	3,687
Maturity and disposal of investments		**1,324**	621
Redemption of investment in redeemable preferred shares held by a subsidiary		**-**	78,717
Dividends received		**4,003**	12,841
Net cash flows provided by (used in) investing activities		**(179,324)**	5,247

Forward

	Note	2026 Unaudited	2025 Unaudited
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds of:			
Short-term borrowings		**P912,066**	P964,096
Long-term borrowings		**283,590**	149,257
Payments of:			
Short-term borrowings		**(916,681)**	(1,024,088)
Long-term borrowings		**(101,831)**	(73,768)
Net proceeds of:			
Issuance of capital securities of subsidiaries		**49,152**	48,728
Issuance of preferred shares of a subsidiary		**36,299**	-
Reissuance of treasury shares		**29,771**	-
Cash dividends and distributions paid to non-controlling shareholders		**(38,791)**	(31,454)
Redemption of:			
Capital securities of subsidiaries		**(27,631)**	(28,417)
Preferred shares of the Parent Company		**(12,700)**	(16,650)
Preferred shares of a subsidiary		**(6,597)**	-
Capital securities		-	(28,655)
Cash dividends and distributions paid	7	**(10,326)**	(10,178)
Payments of lease liabilities		**(6,374)**	(10,332)
Decrease in non-controlling interests' share in the net assets of subsidiaries and others		**(133)**	(1,159)
Acquisition of common treasury shares of a subsidiary		-	(1,130)
Net cash flows provided by (used in) financing activities		**189,814**	(63,750)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**8,885**	1,653
NET INCREASE IN CASH AND CASH EQUIVALENTS		**101,050**	50,004
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**351,715**	293,677
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**P452,765**	P343,681

Note: See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

BELLA O. NAVARRA
SVP, Corporate Finance - Comptrollership

SAN MIGUEL CORPORATION AND SUBSIDIARIES
TRADE AND OTHER RECEIVABLES
September 30, 2026
(In Millions)

			Past Due			
	Total	**Current**	**1 - 30 Days**	**31 - 60 Days**	**61 - 90 Days**	**Over 90 Days**
Trade	P 171,397	P 126,309	P 10,926	P 4,023	P 2,396	P 27,743
Non-trade	84,231	41,909	592	661	518	40,551
Amounts owed by related parties	10,047	8,697	129	51	84	1,086
Total	265,675	**P 176,915**	**P 11,647**	**P 4,735**	**P 2,998**	**P 69,380**
Less allowance for impairment losses	17,030					
Trade and other receivables - net	**P 248,645**					

San Miguel Corporation
Proceeds of the Issuance of Series "2", in Subseries "V", Subseries "W", and Subseries "X" Preferred Shares
September 30, 2026
(Amounts in Millions)

i.	**Gross and Net Proceeds as Disclosed in the Final Prospectus**		
	Gross proceeds		**P30,000**
	Estimated fees, commissions and expenses relating to the Issue:		
	Underwriting and selling fees	**P165**	
	PSE filing fee (inclusive of VAT)	**34**	
	Taxes to be paid by the Company	**15**	
	Philippine SEC filing and legal research fee	**8**	
	Legal and other professional fees	**6**	
	Other expenses	**4**	**232**
	Net proceeds		**P29,768**
ii.	**Actual Gross and Net Proceeds**		
	Gross proceeds		**P30,000**
	Expenses related to the Offering		**265***
	Net proceeds		**P29,735**
iii.	**Each Expenditure Item Where the Proceeds Were Used**		
	Refinancing of short-term loans used to redeem the Series "2", in Subseries "I" Preferred Shares		**P6,310**
	Additional investments in the Infrastructure Business		**2,500**
	Total expenditure where the proceeds were used		**P8,810**
iv.	**Balance of the Proceeds as of End of Reporting Period**		**P20,925**

** Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) payment of listing and other fees with the PSE; (iii) documentary stamp taxes on issuance of preferred shares; (iv) underwriters' fees; (v) special audit/review fees; (vi) selling and commission fees; (vii) PDTC lodgment fees; and (viii) other various additional expenses relating to the Offering.*

SAN MIGUEL CORPORATION AND SUBSIDIARIES

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Millions, Except Per Share Data)

1. Material Accounting Policy Information

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting,* and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at December 31, 2025.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on November 12, 2026.

The interim consolidated financial statements are presented in Philippine Peso and all financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of new and amendments to standards as part of Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the following amendments to standards effective January 1, 2026 and accordingly, changed its accounting policies in the following areas:

- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on PFRS 7, *Financial Instruments: Disclosures,* PFRS 18, *Presentation and Disclosure in Financial Statements,* PAS 1, *Presentation of Financial Statements,* PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors,* PAS 36, *Impairment of Assets* and PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*). The amendments provide illustrative examples demonstrating how entities can apply PFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The examples use climate-related scenarios as practical illustrations, but the underlying principles apply more broadly to all uncertainties.

  The illustrative examples are not an integral part of the PFRS Accounting Standards and do not have an effective date or transition requirements. Entities are expected to consider these examples in applying the disclosure requirements of the relevant standards on a timely basis.

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments* and PFRS 7). The amendments clarify that a financial liability is derecognized on the settlement date when the related obligation is discharged, cancelled or expires. The amendments also introduce an accounting policy option to derecognize financial liabilities settled through an electronic payment system before the settlement date, if certain specified conditions are met.

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 (FVOCI).

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7). The amendments clarify the application of the own-use exemption for contracts referencing electricity from nature-dependent renewable energy sources, amend the hedge accounting requirements to allow these contracts to be designated as hedging instruments if certain conditions are met, and introduce additional disclosure requirements on the impact of these contracts on the financial performance and future cash flow.

- 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 adoption of the amendments to standards did not have a material effect on the interim 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, 2026 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

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

- 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.

- PFRS 17, *Insurance Contracts*, replaces the interim standard, PFRS 4, *Insurance Contracts*, and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The new standard applies to all insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  PFRS 17 aims to increase transparency and to reduce diversity in the accounting for insurance contracts. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and simplified approach (the premium allocation approach) mainly for short-duration contracts.

  On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter (CL) No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two years after its effective date as decided by the International Accounting Standards Board.

  On February 14, 2025, the FSRSC further deferred the date of initial application by two years, making PFRS 17 effective for annual reporting periods beginning on or after January 1, 2027, with comparative figures required. Early adoption is permitted. The Insurance Commission issued CL No. 2025-04, aligning with this deferral.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2026 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

2. 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 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's reportable segments are food and beverage, packaging, energy, fuel and oil, infrastructure, cement, and real estate.

The food and beverage segment is engaged in: (i) the processing and marketing of branded value-added refrigerated processed meats and canned meats 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) 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"). It is also engaged in the production, marketing and selling of fermented, malt-based and non-alcoholic beverages within the Philippines and several foreign markets; and production of hard liquor in the form of gin, Chinese wine, brandy, vodka, rum and other hard liquor variants which are available nationwide, while some are exported to select countries.

The packaging segment is involved in the production and marketing of packaging products including, among others, glass containers, glass molds, polyethylene terephthalate (PET) bottles and preforms, PET recycling, plastic closures, corrugated cartons, woven polypropylene, kraft sacks and paperboard, pallets, flexible packaging, plastic crates, plastic floorings, plastic films, plastic trays, plastic pails and tubs, metal closures and two-piece aluminum cans, woven products, industrial laminates and radiant barriers. It is also involved in crate and plastic pallet leasing, PET bottle filling graphics design, packaging research and testing, packaging development and consultation, contract packaging and trading.

The energy segment sells, retails and distributes power, through power supply agreements, retail supply contracts, ancillary service procurement agreements and other power-related service agreements, either directly to customers (other generators, distribution utilities, including Manila Electric Company (Meralco), electric cooperatives, industrial customers and National Grid Corporation of the Philippines) or through the Philippine Wholesale Electricity Spot Market.

The fuel and oil segment is engaged in refining of crude oil and marketing and distribution of refined petroleum products.

The infrastructure segment holds long-term concessions in the infrastructure sector in the Philippines. It is engaged in the management and operation, as well as construction and development of various infrastructure projects such as major toll roads, airports, railways and bulk water.

The cement segment is primarily engaged in the manufacturing, marketing and distribution of cement products.

The real estate segment is primarily engaged in leasing, sale of real estate, management services, and hotel operations.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, property, plant and equipment and concession rights, net of allowances, accumulated depreciation and amortization and impairment. Segment liabilities include all operating liabilities and consist primarily of accounts payable and accrued expenses and other noncurrent liabilities, excluding interest 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.

Operating Segments

Financial information about reportable segments as at and for the periods ended September 30, 2026, December 31, 2025 and September 30, 2025 follows:

	Food and Beverage		Packaging		Energy		Fuel and Oil		Infrastructure		Cement		Real Estate and Others		Eliminations		Consolidated	
	September 2026	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025
Sales																		
External sales	**P309,557**	P302,729	**P20,818**	P18,136	**P141,082**	P112,042	**P916,025**	P588,160	**P30,099**	P28,943	**P25,755**	P25,088	**P22,084**	P16,021	**P -**	P -	**P1,465,420**	P1,091,119
Inter-segment sales	**30**	192	**8,757**	10,259	**7,995**	6,753	**12,199**	6,740	**763**	675	**636**	443	**34,797**	30,666	**(65,177)**	(55,728)	**-**	-
Total sales	**P309,587**	P302,921	**P29,575**	P28,395	**P149,077**	P118,795	**P928,224**	P594,900	**P30,862**	P29,618	**P26,391**	P25,531	**P56,881**	P46,687	**(P65,177)**	(P55,728)	**P1,465,420**	P1,091,119
Cost of Sales																		
Inventories	**P124,713**	P119,819	**P14,812**	P14,092	**P43,329**	P41,436	**P809,571**	P471,720	**P -**	P -	**P11,491**	P11,200	**P18,928**	P14,056	**(P28,107)**	(P23,139)	**P994,737**	P649,184
Result																		
Segment result	**40,571**	44,668	**1,708**	2,173	**53,419**	34,834	**19,059**	26,636	**16,856**	16,681	**4,355**	5,092	**5,743**	5,025	**87**	2,275	**141,798**	137,384
Interest expense and other financing charges	**(3,658)**	(3,776)	**(735)**	(726)	**(22,174)**	(18,800)	**(12,953)**	(14,113)	**(5,126)**	(5,663)	**(1,997)**	(2,144)	**(36,380)**	(31,032)	**1,197**	1,780	**(81,826)**	(74,474)
Interest income																	**13,970**	11,978
Equity in net earnings of associates and joint ventures																	**10,525**	8,013
Gain on sale of property and equipment																	**1,961**	898
Other income (charges) - net																	**(26,556)**	17,319
Income tax expense																	**(12,525)**	(22,475)
Net Income (Loss)	**P30,623**	P33,699	**P499**	P1,165	**P42,620**	P42,399	**P5,404**	P9,670	**P14,500**	P10,704	**P2,041**	P2,626	**(P29,959)**	P9,355	**(P18,381)**	(P30,975)	**P47,347**	P78,643

	Food and Beverage		Packaging		Energy		Fuel and Oil		Infrastructure		Cement		Real Estate and Others		Eliminations		Consolidated	
	September 2026	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025
Other Information																		
Segment assets	**P331,678**	P328,731	**P52,957**	P50,905	**P788,831**	P703,697	**P513,489**	P440,367	**P563,060**	P530,333	**P108,019**	P111,280	**P429,030**	P364,067	**(P195,511)**	(P189,781)	**P2,591,553**	P2,339,599
Investments and advances - net	**1,187**	1,182	**-**	-	**155,671**	89,068	**-**	9	**11,338**	9,768	**820**	820	**21,079**	26,411	**-**	-	**190,095**	127,258
Goodwill and trademarks and brand names	**38,319**	38,193	**1,054**	769	**69,944**	69,944	**10,363**	9,798	**23,102**	23,102	**53,920**	53,920	**2,989**	2,989	**(12,476)**	(12,354)	**187,215**	186,361
Other assets																	**49,883**	49,746
Deferred tax assets																	**32,728**	23,196
Consolidated Total Assets																	**P3,051,474**	P2,726,160

Forward

	Food and Beverage		Packaging		Energy		Fuel and Oil		Infrastructure		Cement		Real Estate and Others		Eliminations		Consolidated	
	September 2026	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025	**September 2026**	December 2025
Segment liabilities	**P75,004**	P79,863	**P11,031**	P10,948	**P58,087**	P86,900	**P140,981**	P85,353	**P85,216**	P67,925	**P6,941**	P6,655	**P88,361**	P85,022	**(P163,023)**	(P149,683)	**P302,598**	P272,983
Loans payable	**20,208**	14,346	**7,725**	5,682	**33,000**	33,000	**105,950**	91,900	**-**	-	**-**	170	**62,058**	85,494	**-**	-	**228,941**	230,592
Long-term debt	**80,485**	80,801	**5,907**	6,394	**381,223**	285,136	**135,898**	124,477	**130,885**	127,425	**33,027**	36,133	**825,337**	696,930	**-**	-	**1,592,762**	1,357,296
Lease liabilities																	**33,474**	35,831
Income and other taxes payable																	**40,762**	41,753
Dividends and distributions payable and others																	**12,623**	11,062
Deferred tax liabilities																	**30,380**	29,303
Consolidated Total Liabilities																	**P2,241,540**	P1,978,820

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 for the periods ended September 30, 2026 and 2025:

	Food and Beverage		Packaging		Energy		Fuel and Oil		Infrastructure		Cement		Real Estate and Others		Consolidated	
	September 2026	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025	**September 2026**	September 2025
Timing of recognition																
Sales recognized at point in time	**P309,545**	P302,717	**P20,059**	P17,350	**P -**	P -	**P916,025**	P588,160	**P -**	P -	**P25,755**	P25,088	**P17,165**	P11,408	**P1,288,549**	P944,723
Sales recognized over time	**12**	12	**759**	786	**141,082**	112,042	**-**	-	**30,099**	28,943	**-**	-	**4,919**	4,613	**176,871**	146,396
Total external sales	**P309,557**	P302,729	**P20,818**	P18,136	**P141,082**	P112,042	**P916,025**	P588,160	**P30,099**	P28,943	**P25,755**	P25,088	**P22,084**	P16,021	**P1,465,420**	P1,091,119

3. Other Income (Charges) - Net

Other income (charges) - net consists of:

		For the Periods Ended September 30	
	Note	**2026**	2025
Construction costs		**(P35,853)**	(P28,706)
Loss on foreign exchange - net	*8*	**(35,191)**	(4,245)
Construction revenue		**35,853**	28,706
Gain (loss) on derivatives - net	*9*	**3,714**	(1,340)
Dividend income	*4*	**2,654**	723
Rent income		**585**	466
Gain on fair valuation of investment		**-**	21,933
Others		**1,682**	(218)
		(P26,556)	P17,319

The construction revenue recognized in profit or loss approximates the construction costs recognized. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Construction costs are recognized by reference to the stage of completion of the construction activity of toll road, airport, and water concession rights as at the reporting date.

Gain on fair valuation of the residual investment in South Premiere Power Corp. (SPPC), Excellent Energy Resources Inc. (EERI) and Ilijan Primeline Industrial Estate Corp. was recognized in 2025, following the dilution of San Miguel Global Power Holdings Corp.'s (San Miguel Global Power) ownership interest from 100% to 33%.

"Others" consist of impairment loss, casualty loss, expenses of closed facilities, management income, commission income, royalty income, insurance claims, income from pretermination of lease, and changes in fair value of financial assets at fair value through profit or loss (FVPL).

4. Related Party Disclosures

San Miguel Corporation (SMC or 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 September 30, 2026 and December 31, 2025:

	Year	Revenue from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Intermediate Parent Company	**September 30, 2026**	**P7**	**P -**	**P -**	**P516**	Settled on dividend payment date	Unsecured;
	December 31, 2025	8	-	-	516		
	September 30, 2026	**-**	**-**	**3,037**	**-**	To be settled on the first anniversary of commercial operations of the Nonoc Project; interest-bearing	Unsecured; no impairment
	December 31, 2025	-	-	3,037	-		
Retirement plans	**September 30, 2026**	**24**	**-**	**3,085**	**-**	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2025	33	1,119	2,954	-		
	September 30, 2026	**136**	**-**	**3,110**	**-**	On demand; interest-bearing	Unsecured; no impairment
	December 31, 2025	192	-	3,110	-		
Associates	**September 30, 2026**	**2,565**	**880**	**60,860**	**3,625**	On demand and will be applied to subscription; non-interest-bearing	Unsecured; no impairment
	December 31, 2025	5,063	582	11,019	2,564		
	September 30, 2026	**568**	**1,365**	**17,522**	**31,679**	Less than 1 to 12 years; interest-bearing; entitled to dividends	Unsecured and secured; no impairment
	December 31, 2025	627	2,111	9,741	28,285		
Joint ventures	**September 30, 2026**	**239**	**1,519**	**376**	**331**	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2025	600	2,793	183	276		
	September 30, 2026	**16**	**-**	**621**	**-**	On demand; interest-bearing	Unsecured; with impairment
	December 31, 2025	14	-	621	-		
	September 30, 2026	**10**	**-**	**363**	**-**	Less than 1 to 10.5 years; interest-bearing	Unsecured; no impairment
	December 31, 2025	52	-	341	-		
Shareholder of the Intermediate Parent Company	**September 30, 2026**	**-**	**-**	**1,200**	**-**	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2025	-	-	1,200	-		
Shareholders of subsidiaries	**September 30, 2026**	**42**	**1,150**	**92**	**139**	On demand; non-interest-bearing	Unsecured; no impairment
	December 31, 2025	61	1,337	94	1,389		
Others	**September 30, 2026**	**1,129**	**3,289**	**1,306**	**80**	On demand and will be; applied to subscription; non-interest-bearing	Unsecured; no impairment
	December 31, 2025	1,031	3,523	1,241	132		
Total	**September 30, 2026**	**P4,736**	**P8,203**	**P91,572**	**P36,370**		
Total	December 31, 2025	P7,681	P11,465	P33,541	P33,162		

1) Revenue consists of sale of power, fuel and other products and services to related parties.

2) Purchases consist of purchase of inventories, power and other products and services from related parties.

3) On March 18, 2025, Petron Corporation (Petron) repurchased via a block sale all of the 459,156,097 common shares held by Petron Corporation Employee Retirement Plan aggregating to P1,119 pursuant to the common share buyback program approved by the BOD of Petron on March 4, 2025.

4) Amounts owed by related parties consist of current and noncurrent receivables, advances to suppliers and deposits and share in expenses. These include advances for investments and investments in equity and debt instruments of associates.

   a) Amounts owed by related parties include interest-bearing receivable from Top Frontier Investment Holdings, Inc. (Top Frontier or Intermediate Parent Company) related to the remaining balance of the consideration for the sale of Clariden Holdings, Inc. (Clariden) amounting to P2,312 and the assignment of certain receivables of the Intermediate Parent Company amounting to P725.

(i) *Amounts owed by the Intermediate Parent Company amounting to P2,312:* On September 27, 2019, SMC and Top Frontier agreed in writing that the second payment amounting to P1,099, plus 5.75% interest rate per annum of any portion thereof unpaid, and the final payment amounting to P1,213, plus 6.00% per annum of any portion thereof unpaid, shall be payable and the interest shall be accrued, on the first anniversary of commercial operations of the Nonoc Project or such extended date as may be mutually agreed by the parties in writing.

(ii) *Amounts owed by the Intermediate Parent Company amounting to P725:* On September 27, 2019, the parties agreed in writing that the amounts plus 5.75% interest rate per annum of any portion thereof unpaid shall be payable and the interest shall be accrued, upon commencement of commercial operations of the Nonoc Project.

The Nonoc Project is primarily focused on exploration of nickel deposits, drilling, development and construction of various processing facilities in Nonoc Island, Surigao City, Surigao del Norte, and is undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., all indirect subsidiaries of Clariden. As at September 30, 2026, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of noncurrent receivables and deposits under “Other noncurrent assets - net” account in the consolidated statements of financial position as at September 30, 2026 and December 31, 2025.

b) The Parent Company has advances to and receivables from San Miguel Corporation Retirement Plan amounting to P6,195 and P6,064 as at September 30, 2026 and December 31, 2025, respectively, included as part of “Amounts owed by related parties” under “Trade and other receivables - net” account in the consolidated statements of financial position. Portion of the advances are subject to interest of 5.75% per annum. Interest income earned from the advances amounted to P136 for the periods ended September 30, 2026 and 2025.

c) Amounts owed by related parties include advances for investments which will be applied against future stock subscriptions, amounting to P60,675 and P8,949 as at September 30, 2026 and December 31, 2025, respectively, presented as part of “Investments and advances - net” account in the consolidated statements of financial position.

d) Amounts owed by associates include investments in equity instruments amounting to P13,443 and P5,654 as at September 30, 2026 and December 31, 2025, respectively, presented as part of “Investments and advances - net” account in the consolidated statements of financial position. Dividend income earned from the investments in equity instruments amounted to P1,311 and P220 for the periods ended September 30, 2026 and 2025, respectively, presented as part of “Dividend income” under “Other income (charges) - net” account in the consolidated statements of income.

e) Amounts owed by associates include investments in debt instruments under an investment management agreement with Bank of Commerce (BankCom) for a total amount of P4,187 and P4,200 as at September 30, 2026 and December 31, 2025, respectively, presented as part of “Investments in equity and debt instruments” account in the consolidated statements of financial position. Interest income earned from the investments in debt instruments amounted to P293 and P243 for the periods ended September 30, 2026 and 2025, respectively.

f) Amounts owed by joint ventures include an interest-bearing receivable from a joint venture amounting to P621, included as part of “Trade and other receivables - net” account in the consolidated statements of financial position. Allowance for impairment losses pertaining to these receivables amounted to P621 as at September 30, 2026 and December 31, 2025. Interest income earned from the receivable amounted to P16 and P14 for the periods ended September 30, 2026 and 2025, respectively.

g) Amounts owed by joint ventures include interest-bearing loans granted to Angat Hydropower Corporation by PowerOne Ventures Energy Inc. amounting to P293 and P284 as at September 30, 2026 and December 31, 2025, respectively, presented as part of “Trade and other receivables - net” and “Other noncurrent assets - net” accounts in the consolidated statements of financial position. Interest income earned from the loans amounted to P10 and P49 for the periods ended September 30, 2026 and 2025, respectively.

h) Amounts owed by related parties include the receivable from Far East Holdings, Inc. on the assignment by Eagle Cement Corporation of the advances for future investment in KB Space Holdings, Inc. amounting to P1,200 as at September 30, 2026 and December 31, 2025, presented as part of “Trade and other receivables - net” account in the consolidated statements of financial position.

5) Amounts owed to related parties consist of trade payables, professional fees and lease obligations. Amounts owed to related parties for the lease of office space, presented as part of “Lease liabilities - current portion” amounted to P117 and P107 as at September 30, 2026 and December 31, 2025, respectively, and as part of “Lease liabilities - net of current portion” amounted to P1,928 and P1,425 as at September 30, 2026 and December 31, 2025, respectively. The amount owed to the Intermediate Parent Company pertains to dividends payable.

   Amounts owed to associates include interest-bearing loans payable to BankCom, presented as part of “Loans payable” account amounting to P1,360 and P2,131 and “Long-term debt” account amounting to P30,319 and P26,154 in the consolidated statements of financial position as at September 30, 2026 and December 31, 2025, respectively. Interest expense incurred on the loans amounted to P1,365 and P1,583 for the periods ended September 30, 2026 and 2025, respectively.

   The amounts owed to BankCom include syndicated project finance loans amounting to P29,212 and P25,036 as at September 30, 2026 and December 31, 2025, respectively. These loans were secured by certain property, plant and equipment and other intangible assets.

6) On June 23, 2026, San Miguel Brewery Inc. (SMB) distributed as stock dividends, a total of 1,622,192,515 common shares at P1.00 par value per stock dividend or amounting to P1,622, to San Miguel Brewery Retirement Plan and Kirin Holdings Company, Ltd., shareholders of SMB, pursuant to the stock dividend declaration approved by the BOD and stockholders of SMB on April 27 and May 26, 2026, respectively.

Collection of advances from the deconsolidated subsidiaries in 2025 amounted to P12,084.

There were no known transactions with parties that fall outside the definition of "related parties" under PAS 24, *Related Party Disclosures*, but with whom SMC 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.

5. Property, Plant and Equipment

Property, plant and equipment consist of:

September 30, 2026 and December 31, 2025

	Land and Land Improvements	Buildings and Improvements	Power Plants	Refinery and Plant Equipment	Service Stations and Other Equipment	Equipment, Furniture and Fixtures	Leasehold Improvements	Capital Projects in Progress	Total
Cost									
January 1, 2025 (Audited)	P65,482	P103,279	P356,737	P200,745	P20,126	P283,567	P17,088	P192,287	P1,239,311
Additions	1,292	765	1,814	754	375	6,853	229	45,265	57,347
Deconsolidation of subsidiaries	(1,619)	(422)	(64,553)	-	-	(467)	-	(34,368)	(101,429)
Disposals/retirement	(7)	(45)	-	(4)	(119)	(7,205)	(27)	(117)	(7,524)
Reclassifications and others	(829)	15,908	33,519	2,491	219	10,197	2,896	(63,669)	732
Currency translation adjustments	383	586	-	3,350	1,257	1,860	9	146	7,591
December 31, 2025 (Audited)	64,702	120,071	327,517	207,336	21,858	294,805	20,195	139,544	1,196,028
Additions	1,654	512	357	1,522	588	6,592	225	33,715	45,165
Disposals/retirement	(61)	(59)	-	(17)	(88)	(1,111)	(7)	(4,877)	(6,220)
Reclassifications and others	5,415	2,264	553	515	505	11,352	1,351	(9,147)	12,808
Currency translation adjustments	156	987	-	1,831	689	3,290	30	180	7,163
September 30, 2026 (Unaudited)	**71,866**	**123,775**	**328,427**	**211,187**	**23,552**	**314,928**	**21,794**	**159,415**	**1,254,944**
Accumulated Depreciation									
January 1, 2025 (Audited)	4,776	27,872	51,158	83,640	15,445	145,237	4,114	-	332,242
Depreciation	538	3,092	14,735	7,524	836	15,153	944	-	42,822
Deconsolidation of subsidiaries	(9)	(36)	(4,231)	-	-	(29)	-	-	(4,305)
Disposals/retirement	(7)	(29)	-	(1)	(119)	(4,353)	(6)	-	(4,515)
Reclassifications	(102)	1,556	(235)	10	1	(959)	5	-	276
Currency translation adjustments	3	295	-	1,598	767	1,202	6	-	3,871
December 31, 2025 (Audited)	5,199	32,750	61,427	92,771	16,930	156,251	5,063	-	370,391
Depreciation	472	2,539	10,794	4,986	753	12,470	710	-	32,724
Disposals/retirement	(11)	(59)	-	(9)	(88)	(906)	(6)	-	(1,079)
Reclassifications	117	19	-	2	16	2,278	(5)	-	2,427
Currency translation adjustments	-	405	-	892	430	1,754	12	-	3,493
September 30, 2026 (Unaudited)	**5,777**	**35,654**	**72,221**	**98,642**	**18,041**	**171,847**	**5,774**	**-**	**407,956**
Accumulated Impairment									
January 1, 2025 (Audited)	-	3,866	-	-	-	11,456	25	272	15,619
Impairment	274	-	-	104	12	684	-	92	1,166
Disposals/retirement	-	(6)	-	-	-	(106)	-	-	(112)
Reclassifications	-	(2)	-	-	-	44	-	-	42
Currency translation adjustments	-	130	-	1	-	339	2	-	472
December 31, 2025 (Audited)	274	3,988	-	105	12	12,417	27	364	17,187
Impairment	-	-	-	-	-	220	-	-	220
Disposals/retirement	-	-	-	-	-	(74)	-	-	(74)
Currency translation adjustments	-	397	-	6	1	1,032	3	-	1,439
September 30, 2026 (Unaudited)	**274**	**4,385**	**-**	**111**	**13**	**13,595**	**30**	**364**	**18,772**
Carrying Amount									
December 31, 2025 (Audited)	P59,229	P83,333	P266,090	P114,460	P4,916	P126,137	P15,105	P139,180	P808,450
September 30, 2026 (Unaudited)	**P65,815**	**P83,736**	**P256,206**	**P112,434**	**P5,498**	**P129,486**	**P15,990**	**P159,051**	**P828,216**

September 30, 2025

	Land and Land Improvements	Buildings and Improvements	Power Plants	Refinery and Plant Equipment	Service Stations and Other Equipment	Equipment, Furniture and Fixtures	Leasehold Improvements	Capital Projects in Progress	Total
Cost									
January 1, 2025 (Audited)	P65,482	P103,279	P356,737	P200,745	P20,126	P283,567	P17,088	P192,287	P1,239,311
Additions	45	98	1,954	264	270	4,877	145	34,612	42,265
Deconsolidation of subsidiaries	(1,619)	(422)	(64,553)	-	-	(467)	-	(34,368)	(101,429)
Disposals/retirement	(7)	(40)	-	(35)	(25)	(5,904)	(1)	(89)	(6,101)
Reclassifications and others	(1,158)	13,235	28,865	3,927	153	(1,543)	2,197	(55,945)	(10,269)
Currency translation adjustments	221	308	-	1,833	685	942	8	67	4,064
September 30, 2025 (Unaudited)	62,964	116,458	323,003	206,734	21,209	281,472	19,437	136,564	1,167,841
Accumulated Depreciation									
January 1, 2025 (Audited)	4,776	27,872	51,158	83,640	15,445	145,237	4,114	-	332,242
Depreciation	401	2,658	10,775	5,677	611	10,686	644	-	31,452
Deconsolidation of subsidiaries	(9)	(36)	(4,231)	-	-	(29)	-	-	(4,305)
Disposals/retirement	(7)	(29)	-	(10)	(18)	(3,351)	-	-	(3,415)
Reclassifications	(110)	831	(234)	-	-	(6,066)	(2)	-	(5,581)
Currency translation adjustments	1	156	-	867	415	620	4	-	2,063
September 30, 2025 (Unaudited)	5,052	31,452	57,468	90,174	16,453	147,097	4,760	-	352,456
Accumulated Impairment									
January 1, 2025 (Audited)	-	3,866	-	-	-	11,456	25	272	15,619
Impairment	-	-	-	-	-	66	-	-	66
Disposals/retirement	-	(6)	-	-	-	(16)	-	-	(22)
Reclassifications	-	(2)	-	-	-	44	-	-	42
Currency translation adjustments	-	56	-	-	-	145	2	-	203
September 30, 2025 (Unaudited)	-	3,914	-	-	-	11,695	27	272	15,908
Carrying Amount									
September 30, 2025 (Unaudited)	P57,912	P81,092	P265,535	P116,560	P4,756	P122,680	P14,650	P136,292	P799,477

“Equipment, furniture and fixtures” includes machinery, transportation equipment, office equipment and tools and small equipment.

Depreciation charged to operations amounted to P32,724 and P31,452 for the periods ended September 30, 2026 and 2025, respectively.

Reclassifications and others include transfers to investment property due to change in usage as evidenced by ending of owner-occupation or commencement of operating lease to another party, capitalized borrowing costs, application of advances to contractors against progress billings for ongoing capital projects, and reclassifications from capital projects in progress account to specific property, plant and equipment accounts.

The Group has capitalized borrowing costs amounting to P3,398 and P2,306 for the periods ended September 30, 2026 and 2025, respectively.

Deconsolidation of subsidiaries mainly pertains to the property, plant and equipment of SPPC and EERI, following their deconsolidation on January 27, 2025.

Additions to property, plant and equipment for the periods ended September 30, 2026 and 2025, include noncash or unpaid portion of payables amounting to P2,847 and P9,836, respectively, which represent noncash investing activities.

As at September 30, 2026 and December 31, 2025, certain property, plant and equipment amounting to P301,499 and P294,127, respectively, were pledged as security for syndicated project finance loans.

6. 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 and distributions to holders of capital securities, by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

For the purpose of computing diluted EPS, the net income for the period attributable to equity holders of the Parent Company and the weighted-average number of issued and outstanding common shares during the period are adjusted for the effect of all potential dilutive debt or equity instruments.

Basic and diluted EPS is computed as follows:

	For the Periods Ended September 30	
	2026	2025
Net income attributable to equity holders of the Parent Company	**P6,353**	P39,210
Less: Dividends on preferred shares for the period	**6,154**	5,562
Distributions on capital securities for the period	**-**	1,246
Net income attributable to common shareholders of the Parent Company (a)	**P199**	P32,402
Weighted average number of common shares outstanding (in millions) - basic and diluted (b)	**2,384**	2,384
Basic and diluted earnings per common share attributable to equity holders of the Parent Company (a/b)	**P0.08**	P13.59

Earnings per common share is computed based on amounts in nearest Peso.

The Parent Company has no dilutive debt or equity instruments for the periods ended September 30, 2026 and 2025.

7. Dividends and Distributions

Dividends

The BOD of the Parent Company approved the declaration and payment of the following cash dividends for common and preferred shares as follows:

2026

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
Common	March 12, 2026	March 30, 2026	April 17, 2026	**P0.35**
	June 9, 2026	June 26, 2026	July 22, 2026	**0.35**
	September 10, 2026	October 2, 2026	October 23, 2026	**0.35**
Preferred				
SMC2I	January 15, 2026	March 20, 2026	March 30, 2026	**1.18790625**
SMC2L	January 15, 2026	March 20, 2026	March 30, 2026	**1.48396875**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.48396875**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.48396875**
SMC2M	January 15, 2026	March 20, 2026	March 30, 2026	**1.5703125**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.5703125**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.5703125**
SMC2N	January 15, 2026	March 20, 2026	March 30, 2026	**1.5649875**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.5649875**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.5649875**

Forward

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
Preferred				
SMC2O	January 15, 2026	March 20, 2026	March 30, 2026	**P1.6113**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.6113**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.6113**
SMC2P	January 15, 2026	March 20, 2026	March 30, 2026	**1.3059375**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.3059375**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.3059375**
SMC2Q	January 15, 2026	March 20, 2026	March 30, 2026	**1.3605**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.3605**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.3605**
SMC2R	January 15, 2026	March 20, 2026	March 30, 2026	**1.413**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.413**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.413**
SMC2S	January 15, 2026	March 20, 2026	March 30, 2026	**1.3059375**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.3059375**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.3059375**
SMC2T	January 15, 2026	March 20, 2026	March 30, 2026	**1.3605**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.3605**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.3605**
SMC2U	January 15, 2026	March 20, 2026	March 30, 2026	**1.413**
	May 14, 2026	June 19, 2026	June 30, 2026	**1.413**
	August 13, 2026	September 21, 2026	September 30, 2026	**1.413**
SMC2V	August 13, 2026	September 21, 2026	September 30, 2026	**0.80401**
SMC2W	August 13, 2026	September 21, 2026	September 30, 2026	**0.8357**
SMC2X	August 13, 2026	September 21, 2026	September 30, 2026	**0.86483**

2025

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
Common	March 13, 2025	March 28, 2025	April 25, 2025	P0.35
	June 10, 2025	June 27, 2025	July 23, 2025	0.35
	September 11, 2025	October 3, 2025	October 24, 2025	0.35
Preferred				
SMC2F	January 16, 2025	March 21, 2025	April 4, 2025	1.27635
	May 8, 2025	June 20, 2025	July 4, 2025	1.27635
	August 7, 2025	September 19, 2025	October 3, 2025	1.27635
SMC2I	January 16, 2025	March 21, 2025	April 4, 2025	1.18790625
	May 8, 2025	June 20, 2025	July 4, 2025	1.18790625
	August 7, 2025	September 19, 2025	October 3, 2025	1.18790625
SMC2J	January 16, 2025	March 21, 2025	April 4, 2025	0.890625
	May 8, 2025	June 20, 2025	July 4, 2025	0.890625
	August 7, 2025	September 19, 2025	October 3, 2025	0.890625
SMC2K	January 16, 2025	March 21, 2025	April 4, 2025	0.84375
	May 8, 2025	June 20, 2025	July 4, 2025	0.84375
	August 7, 2025	September 19, 2025	October 3, 2025	0.84375
SMC2L	January 16, 2025	March 21, 2025	April 4, 2025	1.48396875
	May 8, 2025	June 20, 2025	July 4, 2025	1.48396875
	August 7, 2025	September 19, 2025	October 3, 2025	1.48396875
SMC2M	January 16, 2025	March 21, 2025	April 4, 2025	1.5703125
	May 8, 2025	June 20, 2025	July 4, 2025	1.5703125
	August 7, 2025	September 19, 2025	October 3, 2025	1.5703125
SMC2N	January 16, 2025	March 21, 2025	April 4, 2025	1.5649875
	May 8, 2025	June 20, 2025	July 4, 2025	1.5649875
	August 7, 2025	September 19, 2025	October 3, 2025	1.5649875
SMC2O	January 16, 2025	March 21, 2025	April 4, 2025	1.6113
	May 8, 2025	June 20, 2025	July 4, 2025	1.6113
	August 7, 2025	September 19, 2025	October 3, 2025	1.6113

On November 12, 2026, the BOD of the Parent Company declared regular cash dividends to all preferred shareholders of record as at December 21, 2026 on the following shares to be paid on January 5, 2027, as follows:

Class of Shares	Dividend Per Share
SMC2L	P1.48396875
SMC2M	1.5703125
SMC2N	1.5649875
SMC2O	1.6113
SMC2P	1.3059375
SMC2Q	1.3605
SMC2R	1.413
SMC2S	1.3059375
SMC2T	1.3605
SMC2U	1.413
SMC2V	1.50751875
SMC2W	1.5669375
SMC2X	1.62155625

Distributions

The Parent Company declared and paid P2,122 to the holders of Senior Perpetual Capital Securities (SPCS) for the period ended September 30, 2025, as distributions in accordance with the terms and conditions of the subscription agreements with the Parent Company.

8. 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, financial assets at FVPL, investments in equity and debt instruments, restricted cash, short-term and long-term loans, dividends and distributions payable, and derivative instruments. These financial instruments, except financial assets at FVPL and 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, noncurrent receivables and deposits, accounts payable and accrued expenses, lease 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 options, forwards and swaps are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to foreign currency, interest rate and commodity price risks arising from the operating and financing activities.

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 consolidated 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 consolidated 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 Securities and Exchange Commission and/or the Philippine Stock Exchange, Inc. (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 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.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. 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 Group uses interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities, and notional amounts. The Group assesses whether the derivative designated in the hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and

- changes in the timing of the hedged transactions.

Interest Rate Risk Table

The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

September 30, 2026	**<1 Year**	**1-2 Years**	**>2-3 Years**	**>3-4 Years**	**>4-5 Years**	**>5 Years**	**Total**
Fixed Rate							
Philippine Peso-denominated	**P94,850**	**P124,456**	**P73,254**	**P95,109**	**P73,951**	**P202,375**	**P663,995**
Interest rate	**3.284% - 8.9456%**	**3.5483% - 8.9456%**	**3.5483% - 8.9456%**	**3.5483% - 8.9456%**	**5.5911% - 8.9456%**	**5.5911% - 8.489%**	
Foreign currency-denominated (expressed in Philippine Peso)	**3,472**	**16,522**	**18,396**	**9,084**	**12,009**	**-**	**59,483**
Interest rate	**5.166% - 8.331%**	**5.166% - 8.331%**	**5.166% - 8.331%**	**5.166% - 8.331%**	**5.715% - 8.331%**		
Floating Rate							
Philippine Peso-denominated	**5,085**	**6,872**	**8,973**	**13,331**	**3,905**	**61,531**	**99,697**
Interest rate	**Bloomberg Valuation (BVAL) + margin or applicable reference rate, whichever is higher**	**BVAL + margin or applicable reference rate, whichever is higher**	**BVAL + margin or applicable reference rate, whichever is higher**	**BVAL + margin or applicable reference rate, whichever is higher**	**BVAL + margin or applicable reference rate, whichever is higher**	**BVAL + margin or applicable reference rate, whichever is higher**	
Foreign currency-denominated (expressed in Philippine Peso)	**184,216**	**163,662**	**200,509**	**78,035**	**109,165**	**49,408**	**784,995**
Interest rate	**Secured Overnight Financing Rate (SOFR)/ applicable reference rate + margin**	**SOFR/ applicable reference rate + margin**	**SOFR/ applicable reference rate + margin**	**SOFR/ applicable reference rate + margin**	**SOFR/ applicable reference rate + margin**	**SOFR/ applicable reference rate + margin**	
	P287,623	**P311,512**	**P301,132**	**P195,559**	**P199,030**	**P313,314**	**P1,608,170**

December 31, 2025	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated	P76,519	P114,142	P103,226	P84,558	P66,195	P163,026	P607,666
Interest rate	3.284% - 8.7815%	3.5483% - 8.7815%	3.5483% - 8.7815%	3.5483% - 8.7815%	4.8356% - 8.7815%	4.8356% - 8.6074%	
Foreign currency-denominated (expressed in Philippine Peso)	1,544	3,294	13,866	13,945	12,175	-	44,824
Interest rate	8.331%	5.166% - 8.331%	5.166% - 8.331%	5.166% - 8.331%	5.166% - 8.331%		
Floating Rate							
Philippine Peso-denominated	4,102	5,444	6,037	12,758	2,912	43,546	74,799
Interest rate	BVAL + margin or applicable reference rate, whichever is higher	BVAL + margin or applicable reference rate, whichever is higher	BVAL + margin or applicable reference rate, whichever is higher	BVAL + margin or applicable reference rate, whichever is higher	BVAL + margin or applicable reference rate, whichever is higher	BVAL + margin or applicable reference rate, whichever is higher	
Foreign currency-denominated (expressed in Philippine Peso)	95,530	117,984	159,958	142,633	75,646	52,351	644,102
Interest rate	SOFR/ applicable reference rate + margin	SOFR/ applicable reference rate + margin	SOFR/ applicable reference rate + margin	SOFR/ applicable reference rate + margin	SOFR/ applicable reference rate + margin	SOFR/ applicable reference rate + margin	
	P177,695	P240,864	P283,087	P253,894	P156,928	P258,923	P1,371,391

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 P6,635 and P7,189 for the period ended September 30, 2026 and for the year ended December 31, 2025, 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 a combination of non-derivative and derivative instruments such as foreign currency forwards, options or swaps to manage its foreign currency risk exposure.

Short-term currency forward contracts (deliverable and non-deliverable) and options are entered into to manage foreign currency risks arising from importations, revenue and expense transactions, and other foreign currency-denominated obligations. Currency swaps are entered into to manage foreign currency risks relating to long-term foreign currency-denominated borrowings.

Certain derivative contracts are designated as cash flow hedges. The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of the cash flows. The Group assesses whether the derivatives designated in the hedging relationship are expected to be effective in offsetting changes in cash flows of the hedged item using the cumulative dollar-offset and hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in foreign exchange rates; and

- changes in the timing of the hedged transactions.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

	September 30, 2026		December 31, 2025	
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	**US$3,582**	**P224,367**	US$2,843	P167,215
Trade and other receivables	**1,312**	**82,096**	826	48,518
Prepaid expenses and other current assets	**12**	**737**	27	1,544
Noncurrent receivables	**44**	**2,738**	40	2,460
	4,950	**309,938**	3,736	219,737
Liabilities				
Loans payable	**725**	**45,387**	721	42,416
Accounts payable and accrued expenses	**2,091**	**130,948**	2,553	150,092
Long-term debt (including current maturities)	**13,482**	**844,478**	11,719	688,926
Lease liabilities (including current portion)	**152**	**9,531**	232	13,659
Other noncurrent liabilities	**38**	**2,414**	11	657
	16,488	**1,032,758**	15,236	895,750
Net foreign currency-denominated monetary liabilities	**US$11,538**	**P722,820**	US$11,500	P676,013

The Group reported net loss on foreign exchange amounting to P35,191 and P4,245 for the periods ended September 30, 2026 and 2025, respectively, with the translation of its foreign currency-denominated assets and liabilities (Note 3). These mainly resulted from the movements of the Philippine Peso against the US Dollar as shown in the following table:

	US Dollar to Philippine Peso
September 30, 2026	**P62.640**
December 31, 2025	58.790
September 30, 2025	58.196
December 31, 2024	57.845

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):

	P1 Decrease in the US Dollar Exchange Rate		**P1 Increase in the US Dollar Exchange Rate**	
September 30, 2026	**Effect on Income before Income Tax**	**Effect on Equity**	**Effect on Income before Income Tax**	**Effect on Equity**
Cash and cash equivalents	**(P2,771)**	**(P2,888)**	**P2,771**	**P2,888**
Trade and other receivables	**(196)**	**(1,262)**	**196**	**1,262**
Prepaid expenses and other current assets	**(5)**	**(10)**	**5**	**10**
Noncurrent receivables	**(35)**	**(33)**	**35**	**33**
	(3,007)	**(4,193)**	**3,007**	**4,193**
Loans payable	**700**	**549**	**(700)**	**(549)**
Accounts payable and accrued expenses	**365**	**2,000**	**(365)**	**(2,000)**
Long-term debt (including current maturities)	**13,449**	**10,119**	**(13,449)**	**(10,119)**
Lease liabilities (including current portion)	**91**	**129**	**(91)**	**(129)**
Other noncurrent liabilities	**11**	**11**	**(11)**	**(11)**
	14,616	**12,808**	**(14,616)**	**(12,808)**
	P11,609	**P8,615**	**(P11,609)**	**(P8,615)**

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
December 31, 2025	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
Cash and cash equivalents	(P2,202)	(P2,292)	P2,202	P2,292
Trade and other receivables	(328)	(778)	328	778
Prepaid expenses and other current assets	(11)	(24)	11	24
Noncurrent receivables	(35)	(31)	35	31
	(2,576)	(3,125)	2,576	3,125
Loans payable	700	545	(700)	(545)
Accounts payable and accrued expenses	1,669	2,384	(1,669)	(2,384)
Long-term debt (including current maturities)	11,685	8,797	(11,685)	(8,797)
Lease liabilities (including current portion)	132	199	(132)	(199)
Other noncurrent liabilities	8	9	(8)	(9)
	14,194	11,934	(14,194)	(11,934)
	P11,618	P8,809	(P11,618)	(P8,809)

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

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 consumer (buy) 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. While for producer (sell) hedges, if prices go down, hedge positions may show marked-to-market gains; however, any gain in the marked-to-market position is offset by the resulting selling price.

Commodity Swaps, Futures and Options. Commodity swaps, futures and options are used to manage the Group's exposures to volatility in prices of certain commodities such as fuel oil, crude oil, coal, aluminum, soybean meal and wheat.

Commodity Forwards. The Group enters into forward purchases of various commodities. The prices of the commodity forwards are fixed either through direct agreement with suppliers or by reference to a relevant commodity price index.

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 Group also uses derivative instruments such as forwards and swaps to manage liquidity.

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.

September 30, 2026	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	**P452,765**	**P452,765**	**P452,765**	**P -**	**P -**	**P -**
Trade and other receivables - net	**248,645**	**248,645**	**248,645**	**-**	**-**	**-**
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	**12,428**	**12,428**	**6,042**	**843**	**5,543**	**-**
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	**897**	**897**	**397**	**-**	**-**	**500**
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	**36,238**	**36,393**	**37**	**48**	**757**	**35,551**
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	**12,728**	**14,268**	**2,015**	**515**	**11,738**	**-**
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	**7,852**	**7,852**	**-**	**3,887**	**151**	**3,814**
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	**36,328**	**36,328**	**28,316**	**5,457**	**1,755**	**800**
Financial Liabilities						
Loans payable	**228,941**	**231,994**	**231,994**	**-**	**-**	**-**
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, infrastructure restoration obligation (IRO), asset retirement obligation (ARO) and deferred income)	**277,031**	**277,031**	**277,031**	**-**	**-**	**-**
Dividends and distributions payable	**3,216**	**3,216**	**3,216**	**-**	**-**	**-**
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	**6,965**	**6,965**	**6,700**	**118**	**147**	**-**
Long-term debt (including current maturities)	**1,592,762**	**1,948,634**	**379,489**	**386,469**	**817,335**	**365,341**
Lease liabilities (including current portion)	**33,474**	**46,475**	**10,307**	**9,611**	**8,090**	**18,467**
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, mine rehabilitation obligation (MRO), deferred income and other noncurrent non-financial liabilities)	**7,190**	**7,190**	**-**	**3,189**	**3,531**	**470**

December 31, 2025	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P351,715	P351,715	P351,715	P -	P -	P -
Trade and other receivables - net	247,559	247,559	247,559	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	3,664	3,664	1,364	109	2,191	-
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	886	886	398	-	-	488
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	35,770	35,946	54	53	769	35,070
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,205	14,390	1,376	947	12,067	-
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	6,155	6,155	-	1,664	750	3,741
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	28,777	28,777	22,512	4,382	1,696	187
Financial Liabilities						
Loans payable	230,592	232,485	232,485	-	-	-
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	250,350	250,350	250,350	-	-	-
Dividends and distributions payable	4,639	4,639	4,639	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,789	2,789	1,999	6	784	-
Long-term debt (including current maturities)	1,357,296	1,680,863	260,540	310,016	801,526	308,781
Lease liabilities (including current portion)	35,831	50,594	9,693	9,689	11,474	19,738
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	5,641	5,641	-	2,171	2,053	1,417

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.

Investments 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 of 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 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.

	September 30, 2026	December 31, 2025
Cash and cash equivalents (excluding cash on hand)	**P449,753**	P345,694
Trade and other receivables - net	**248,645**	247,559
Derivative assets	**12,428**	3,664
Investments in debt instruments at FVPL	**397**	398
Investments in debt instruments at FVOCI	**687**	700
Investments in debt instruments at amortized cost	**12,728**	12,205
Noncurrent receivables and deposits - net	**7,852**	6,155
Restricted cash	**36,328**	28,777
	P768,818	P645,152

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 expected credit loss (ECL) or lifetime ECL. Assets that are credit-impaired are separately presented.

	September 30, 2026					
	Financial Assets at Amortized Cost					
	12-Month ECL	**Lifetime ECL not Credit Impaired**	**Lifetime ECL Credit Impaired**	**Financial Assets at FVPL**	**Financial Assets at FVOCI**	**Total**
Cash and cash equivalents (excluding cash on hand)	**P449,753**	**P -**	**P -**	**P -**	**P -**	**P449,753**
Trade and other receivables	**-**	**248,645**	**17,030**	**-**	**-**	**265,675**
Derivative assets	**-**	**-**	**-**	**5,744**	**6,684**	**12,428**
Investments in debt instruments at FVPL	**-**	**-**	**-**	**397**	**-**	**397**
Investments in debt instruments at FVOCI	**-**	**-**	**-**	**-**	**687**	**687**
Investments in debt instruments at amortized cost	**12,728**	**-**	**-**	**-**	**-**	**12,728**
Noncurrent receivables and deposits	**-**	**7,852**	**268**	**-**	**-**	**8,120**
Restricted cash	**36,328**	**-**	**-**	**-**	**-**	**36,328**

	December 31, 2025					
	Financial Assets at Amortized Cost					
	12-Month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired	Financial Assets at FVPL	Financial Assets at FVOCI	Total
Cash and cash equivalents (excluding cash on hand)	P345,694	P -	P -	P -	P -	P345,694
Trade and other receivables	-	247,559	16,811	-	-	264,370
Derivative assets	-	-	-	1,164	2,500	3,664
Investments in debt instruments at FVPL	-	-	-	398	-	398
Investments in debt instruments at FVOCI	-	-	-	-	700	700
Investments in debt instruments at amortized cost	12,205	-	-	-	-	12,205
Noncurrent receivables and deposits	-	6,155	268	-	-	6,423
Restricted cash	28,777	-	-	-	-	28,777

The aging of receivables is as follows:

September 30, 2026	**Trade**	**Non-trade**	**Amounts Owed by Related Parties**	**Total**
Current	**P126,309**	**P41,909**	**P8,697**	**P176,915**
Past due:				
1 - 30 days	**10,926**	**592**	**129**	**11,647**
31 - 60 days	**4,023**	**661**	**51**	**4,735**
61 - 90 days	**2,396**	**518**	**84**	**2,998**
Over 90 days	**27,743**	**40,551**	**1,086**	**69,380**
	P171,397	**P84,231**	**P10,047**	**P265,675**

December 31, 2025	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P134,967	P37,688	P9,953	P182,608
Past due:				
1 - 30 days	14,599	783	358	15,740
31 - 60 days	3,827	2,074	103	6,004
61 - 90 days	934	1,032	56	2,022
Over 90 days	25,666	31,447	883	57,996
	P179,993	P73,024	P11,353	P264,370

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. There are no significant changes in the credit quality of the counterparties during the period.

The Group's cash and cash equivalents, derivative assets, investments in debt instruments and restricted cash 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 homogeneous 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, except for BankCom which is subject to certain capitalization requirements by the Bangko Sentral ng Pilipinas, is not subject to externally imposed capital requirements.

9. Financial Assets and Financial Liabilities

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.

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 debt 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.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment on investment in debt instruments are recognized in the consolidated statements of income. When investment in debt instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are transferred to and recognized in the consolidated statements of 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 equity are never reclassified to the consolidated statements of income.

The Group's investments in equity and debt instruments at FVOCI are classified under this category.

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 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. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the consolidated statements of income. Any dividend income from investment in equity instrument is recognized in the consolidated statements of income when the right to receive payment has been established unless the dividend clearly represents a recovery of the part of the cost of the investment.

The Group's derivative assets that are not designated as cash flow hedge and investments in equity instruments and debt instruments at FVPL are classified under this category.

Financial Liabilities
The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and financial liabilities at amortized costs. 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 the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category.

Financial Liabilities at Amortized Costs. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial recognition, financial liabilities at amortized costs are measured 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 recognized as part of "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, accounts payable and accrued expenses, long-term debt, lease liabilities and other noncurrent liabilities are included under this category.

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 ECL on financial assets at amortized cost and investments in debt instruments at FVOCI.

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 includes 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. The ECLs on investments in debt instruments at FVOCI are recognized as accumulated impairment losses in other comprehensive income, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

Classification of Financial Instruments between Liability and Equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interests, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;

- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	September 30, 2026		December 31, 2025	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**P452,765**	**P452,765**	P351,715	P351,715
Trade and other receivables - net	**248,645**	**248,645**	247,559	247,559
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	**12,428**	**12,428**	3,664	3,664
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	**897**	**897**	886	886
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	**36,238**	**36,238**	35,770	35,770
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	**12,728**	**12,728**	12,205	12,205
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	**7,852**	**7,852**	6,155	6,155
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	**36,328**	**36,328**	28,777	28,777
Financial Liabilities				
Loans payable	**228,941**	**228,941**	230,592	230,592
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	**277,031**	**277,031**	250,350	250,350
Dividends and distributions payable	**3,216**	**3,216**	4,639	4,639
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	**6,965**	**6,965**	2,789	2,789
Long-term debt (including current maturities)	**1,592,762**	**1,602,271**	1,357,296	1,392,114
Lease liabilities (including current portion)	**33,474**	**33,474**	35,831	35,831
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	**7,190**	**7,190**	5,641	5,641

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, Financial Assets at Amortized Cost, Noncurrent Receivables and Deposits and Restricted Cash. The carrying amount of cash and cash equivalents, and trade and other receivables approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of financial assets at amortized cost, noncurrent receivables and deposits and restricted cash, 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 currency and commodity derivatives, the fair values are determined based on quoted prices obtained from their respective 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.

Financial Assets at FVPL and Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market. For debt instruments with no quoted market prices, a reasonable estimate of their fair values is calculated based on the expected cash flows from the instruments discounted, using the applicable discount rates of comparable instruments quoted in active markets.

Loans Payable, Accounts Payable and Accrued Expenses, and Dividends and Distributions Payable. The carrying amount of loans payable, accounts payable and accrued expenses, and dividends and distributions payable approximates fair value due to the relatively short-term maturities of these financial instruments.

Long-term Debt, Lease Liabilities and Other Noncurrent Liabilities. 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 the reporting date. Discount rates used for Philippine Peso-denominated loans range from 5.0% to 7.6% and 4.6% to 8.8% as at September 30, 2026 and December 31, 2025, respectively. The discount rates used for foreign currency-denominated loans range from 4.0% to 5.1% and 3.5% to 3.7% as at September 30, 2026 and December 31, 2025, respectively. The carrying amounts of floating rate loans with quarterly interest rate repricing approximate their fair values.

Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments, such as forwards, swaps and options to manage its exposure on foreign currency, interest rate and commodity price risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are not designated as hedging instruments are recognized in the consolidated statements of income.

Freestanding Derivatives

The Group designates certain derivatives as hedging instruments to hedge the exposure to variability in cash flows associated with recognized liabilities arising from changes in foreign exchange rates and interest rates.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedging instrument are expected to offset the changes in cash flows of the hedged item.

Cash Flow Hedge. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the “Hedging reserve” account in the consolidated statements of changes in equity. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statements of income.

The Group designates only the intrinsic value of options and the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the time value of options, the forward element of forward contracts and the foreign currency basis spread of financial instruments are separately accounted for as cost of hedging and recognized in other comprehensive income. The cost of hedging is removed from other comprehensive income and recognized in the consolidated statements of income, either over the period of the hedge if the hedge is time-related, or when the hedged transaction affects the consolidated statements of income if the hedge is transaction-related.

When the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is transferred and included in the initial cost of the hedged asset or liability. For all other hedged transactions, the amount accumulated in equity is reclassified to the consolidated statements of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated statements of income.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument expires, is sold, is terminated, or is exercised, hedge accounting is discontinued prospectively. The amount that has been accumulated in equity is: (a) retained until it is included in the cost of non-financial item on initial recognition, for a hedge of a transaction resulting in the recognition of a non-financial item; or (b) reclassified to the consolidated statements of income as a reclassification adjustment in the same period or periods as the hedged cash flows affect the consolidated statements of income, for other cash flow hedges. If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in equity are immediately reclassified to the consolidated statements of income.

The Group has outstanding derivatives accounted for as cash flow hedge as at September 30, 2026 and December 31, 2025.

Embedded Derivatives
The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group becomes a party to the contract.

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met:

(a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) the hybrid or combined instrument is not recognized as at FVPL.

However, an embedded derivative is not separated if the host contract is a financial asset.

Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Embedded derivatives that are bifurcated from the host contracts are accounted for either as financial assets or financial liabilities at FVPL.

The Group has embedded derivatives as at September 30, 2026 and December 31, 2025.

Derivative Instruments Accounted for as Cash Flow Hedges

The Group designated the following derivative financial instruments as cash flow hedges:

	Maturity			
September 30, 2026	**1 Year or Less**	**> 1 Year - 2 Years**	**> 2 Years - 5 Years**	**Total**
Foreign currency risk:				
Non-deliverable call spreads:				
Notional amount	**US$80**	**US$200**	**US$1,485**	**US$1,765**
Average strike rate	**P51.35 to P59.00**	**P56.24 to P60.24**	**P55.35 to P63.15**	
Interest rate risk:				
Interest rate options:				
Notional amount	**US$225**	**US$500**	**US$550**	**US$1,275**
Interest rate	**0.39% to 2.91%**	**0.50% to 5.90%**	**0.50% to 6.01%**	
Foreign currency and interest rate risks:				
Non-deliverable swap and options:				
Notional amount	**JPY -**	**JPY8,500**	**JPY53,100**	**JPY61,600**
Average strike rate	**P -**	**P0.3809**	**P0.3809 to P0.53326**	
Fixed interest rate	**-**	**6.25%**	**6.32% to 6.40%**	

	Maturity			
December 31, 2025	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Total
Foreign currency risk:				
Non-deliverable call spreads:				
Notional amount	US$40	US$40	US$935	US$1,015
Average strike rate	P51.35 to P55.40	P54.30 to P59.00	P55.35 to P61.845	
Interest rate risk:				
Interest rate options:				
Notional amount	US$225	US$ -	US$1,050	US$1,275
Interest rate	0.39% to 2.91%	-	0.50% to 6.25%	
Foreign currency and interest rate risks:				
Non-deliverable swap and options:				
Notional amount	JPY -	JPY -	JPY61,600	JPY61,600
Average strike rate	P -	P -	P0.3809 to P0.53326	
Fixed interest rate	-	-	6.25% to 6.40%	

The following are the amounts relating to hedged items:

September 30, 2026	**Change in Fair Value Used for Measuring Hedge Ineffectiveness**	**Hedging Reserve**	**Cost of Hedging Reserve**
Foreign currency risk:			
US Dollar-denominated borrowings	**(P4,620)**	**P -**	**(P3,628)**
Interest rate risk:			
US Dollar-denominated borrowings	**104**	**56**	**(12)**
Foreign currency and interest rate risks:			
Japanese Yen-denominated borrowings	**(206)**	**-**	**340**

December 31, 2025	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	(P970)	P -	(P953)
Interest rate risk:			
US Dollar-denominated borrowings	79	200	(247)
Foreign currency and interest rate risks:			
Japanese Yen-denominated borrowings	400	-	(447)

There are no amounts remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied.

The following are the amounts related to the designated hedging instruments:

September 30, 2026	**Notional Amount**	**Carrying Amount**		**Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included**	**Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income**	**Cost of Hedging Recognized in Other Comprehensive Income**	**Amount Reclassified from Hedging Reserve to the Consolidated Statement of Income**	**Amount Reclassified from Cost of Hedging Reserve to the Consolidated Statement of Income**	**Line Item in the Consolidated Statement of Income Affected by the Reclassification**
		Assets	**Liabilities**						
Foreign currency risk:									
Non-deliverable call spreads	**US$1,765**	**P4,871**	**P -**	Prepaid expenses and other current assets and Other noncurrent assets - net	**P4,620**	**(P4,159)**	**(P4,620)**	**P593**	Interest expense and other financing charges, and Other income (charges) - net
Interest rate risk:									
Interest rate options	**US$1,275**	**319**	**(262)**	Prepaid expenses and other current assets, Other noncurrent assets - net, and Other noncurrent liabilities	**(104)**	**313**	**(89)**	**-**	Interest expense and other financing charges
Foreign currency and interest rate risks:									
Non-deliverable swap and options	**JPY61,600**	**1,494**	**-**	Other noncurrent assets - net	**206**	**1,050**	**(206)**	**-**	Interest expense and other financing charges, and Other income (charges) - net

December 31, 2025	Notional Amount	Carrying Amount		Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income	Cost of Hedging Recognized in Other Comprehensive Income	Amount Reclassified from Hedging Reserve to the Consolidated Statement of Income	Amount Reclassified from Cost of Hedging Reserve to the Consolidated Statement of Income	Line Item in the Consolidated Statement of Income Affected by the Reclassification
		Assets	Liabilities						
Foreign currency risk:									
Non-deliverable call spreads	US$1,015	P2,375	P -	Prepaid expenses and other current assets and Other noncurrent assets - net	P970	(P747)	(P970)	P479	Interest expense and other financing charges, and Other income (charges) - net
Interest rate risk:									
Interest rate options	US$1,275	125	(187)	Prepaid expenses and other current assets, Other noncurrent assets - net, and Other noncurrent liabilities	(79)	84	(161)	-	Interest expense and other financing charges
Foreign currency and interest rate risks:									
Non-deliverable swap and options	JPY61,600	-	(597)	Other noncurrent liabilities	(400)	(597)	400	-	Interest expense and other financing charges

The hedges were assessed to be effective as the critical terms of the hedged items match the hedging instruments. No ineffectiveness was recognized for the periods ended September 30, 2026 and 2025 consolidated statements of income.

The table below provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items, net of tax, resulting from cash flow hedge accounting.

	September 30, 2026		December 31, 2025	
	Hedging Reserve	**Cost of Hedging Reserve**	Hedging Reserve	Cost of Hedging Reserve
Beginning balance	**P200**	**(P1,647)**	P380	(P1,061)
Changes in fair value:				
Foreign currency risk	**4,620**	**(4,159)**	970	(747)
Interest rate risk	**(104)**	**313**	(79)	84
Foreign currency and interest rate risks	**206**	**1,050**	(400)	(597)
Amount reclassified to profit or loss	**(4,915)**	**593**	(731)	479
Tax effect	**49**	**550**	60	195
Ending balance	**P56**	**(P3,300)**	P200	(P1,647)

Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding and embedded derivatives found in host contracts, 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 interest rate, foreign currency and commodity derivatives entered into by the Group.

Interest Rate Swaps

The Group has outstanding interest rate swaps with aggregate notional amount of US$375 as at September 30 and June 30, 2026 and US$75 as at December 31, 2025. Under the agreement, the Group receives floating interest rate based on SOFR and pays fixed interest rate up to 2030. The net positive (negative) fair value of these swaps amounted to P14, (P47) and P15 as at September 30 and June 30, 2026 and December 31, 2025, respectively.

Currency Forwards

The Group has outstanding foreign currency forward contracts with aggregate notional amount of US$1,361, US$1,244 and US$1,322 as at September 30 and June 30, 2026 and December 31, 2025, respectively, and with various maturities in 2026. The net positive (negative) fair value of these currency forwards amounted to (P100), P21 and (P446) as at September 30 and June 30, 2026 and December 31, 2025, respectively.

Currency Options

The Group has outstanding currency options with aggregate notional amount of US$2,856, US$2,178 and US$1,003 as at September 30 and June 30, 2026 and December 31, 2025, respectively, and with various maturities in 2026. The net positive (negative) fair value of these currency options amounted to P112, P15 and (P27) as at September 30 and June 30, 2026 and December 31, 2025, respectively.

Commodity Swaps

The Group has outstanding swap agreements covering its fuel oil requirements, with various maturities up to 2027. Under the agreements, payment is made either by the Group or its counterparty for the difference between the hedged fixed price and the relevant price index.

The outstanding notional quantity of fuel oil was 33.6 million barrels, 61.0 million barrels and 116.5 million barrels as at September 30 and June 30, 2026 and December 31, 2025, respectively. The net negative fair value of these swaps amounted to P540, P269 and P198 as at September 30 and June 30, 2026 and December 31, 2025, respectively.

Embedded Derivatives
The Group's embedded derivatives include currency forwards embedded in non-financial contracts.

Embedded Currency Forwards
The total outstanding notional amount of currency forwards embedded in non-financial contracts amounted to US$169, US$187 and US$118 as at September 30 and June 30, 2026 and December 31, 2025, 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 P446, P393 and P185 as at September 30 and June 30, 2026 and December 31, 2025, respectively.

The Group recognized marked-to-market gain (loss) from freestanding and embedded derivatives amounting to P3,714, (P1,340), P2,239, (P2,853) for the periods ended September 30, 2026 and 2025, and June 30, 2026 and 2025, respectively (Note 3).

Fair Value Changes on Derivatives
The net movements in fair value of all derivative instruments are as follows:

	September 30, 2026	December 31, 2025
Balance at beginning of year	**P875**	P765
Net change in fair value of derivatives:		
Designated as accounting hedge	**3,960**	52
Not designated as accounting hedge	**3,714**	(1,008)
	8,549	(191)
Less fair value of settled instruments	**3,086**	(1,066)
Balance at end of period	**P5,463**	P875

Fair Value Measurements
The Group measures financial and non-financial assets and liabilities at fair value at each reporting date.

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.

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.

The table below analyzes financial instruments carried at fair value by valuation method:

	September 30, 2026			December 31, 2025		
	Level 1	**Level 2**	**Total**	Level 1	Level 2	Total
Financial Assets						
Derivative assets	**P -**	**P12,428**	**P12,428**	P -	P3,664	P3,664
Financial assets at FVPL	**397**	**500**	**897**	398	488	886
Financial assets at FVOCI	**21,090**	**15,148**	**36,238**	28,397	7,373	35,770
Financial Liabilities						
Derivative liabilities	**-**	**6,965**	**6,965**	-	2,789	2,789

The Group has no financial instruments valued based on Level 3 as at September 30, 2026 and December 31, 2025. For the period ended September 30, 2026 and for the year ended December 31, 2025, 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.

10. Events After the Reporting Date

Sale of Common Shares in Meralco by San Miguel Global Power

On October 1, 2026, the BOD of San Miguel Global Power approved the sale of up to 46,596,596 common shares in Meralco. On October 1 and October 6, 2026, San Miguel Global Power agreed to sell 21,414,758 common shares to Metro Pacific Investments Corporation and 3,767,080 common shares to Mr. Manuel V. Pangilinan, representing approximately 1.90% and 0.33% of Meralco's total issued and outstanding common shares, respectively. The shares were sold at P580.99 per common share through special block sales on the PSE on October 8 and October 9, 2026.

Redemption of SPCS by San Miguel Global Power

On October 1, 2026, the BOD of San Miguel Global Power approved the redemption on December 9, 2026 of all the outstanding US$259 SPCS issued on June 9, 2021.

11. Other Matters

a. Commitments

The outstanding purchase commitments of the Group amounted to P215,891 and P181,959 as at September 30, 2026 and December 31, 2025, respectively.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business and will be funded by available cash, short-term loans and long-term debt.

b. On August 12, 2026, Mr. Iñigo U. Zobel transferred and conveyed 199,599,900 common shares of Top Frontier to IZ Investments Holdings, Inc. (IZ Holdings) through special block sales on the PSE. Consequently, IZ Holdings became the Ultimate Parent Company of the Group.

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

d. There were no material changes in estimates of amounts reported in prior financial years.

e. Certain accounts in prior years have been reclassified for consistency with the current period presentation to provide more reliable and relevant information and better referencing to other information in the selected notes to the consolidated financial statements. These reclassifications had no effect on the reported financial performance for any period.

f. The impact of the United States of America-Israel-Iran conflict in the performance of the Group for the third quarter of 2026 is discussed in the Management's Discussion and Analysis of Financial Position and Financial Performance.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS

The following are the major performance measures that San Miguel Corporation and Subsidiaries (the Group) uses. Analyses are employed by comparisons and measurements based on the financial data as of September 30, 2026 and December 31, 2025 for liquidity, solvency and profitability ratios and for the periods ending September 30, 2026 and 2025 for operating efficiency ratios.

	September 30, 2026	December 31, 2025
Liquidity:		
Current Ratio	**1.23**	1.23
Quick Ratio	**0.82**	0.84
Solvency:		
Debt to Equity Ratio	**2.77**	2.65
Asset to Equity Ratio	**3.77**	3.65
Profitability:		
Return on Average Equity Attributable to Equity Holders of the Parent Company	**2.62%**	13.63%
Interest Rate Coverage Ratio	**1.73**	2.24
Return on Assets	**2.19%**	3.50%

	Periods Ended September 30	
	2026	2025
Operating Efficiency:		
Volume Growth (Decline)	**2%**	(5%)
Revenue Growth (Decline)	**34%**	(7%)
Operating Margin	**10%**	13%

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

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets - Inventories - Current Portion of Biological Assets - Prepayments}}{\text{Current Liabilities}}$
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	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company*}}{\text{Average Equity Attributable to Equity Holders of the Parent Company}}$

Forward

KPI	Formula
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	$\left(\frac{\text{Sum of all Businesses' Revenue at Prior Period Prices}}{\text{Prior Period Net Sales}}\right) - 1$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}}\right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

* *Annualized for interim reporting*

SAN MIGUEL CORPORATION

ANNEX "B"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of San Miguel Corporation ("SMC" or "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at and for the period ended September 30, 2026 (with comparative figures as at December 31, 2025 and for the period ended September 30, 2025). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as at September 30, 2026, and for all the other periods presented, have been made. Certain information and footnote disclosures normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards Accounting Standards have been omitted.

I. 2026 SIGNIFICANT TRANSACTIONS

In 2026, the Group has undertaken various financing activities. The significant transactions are as follows:

AVAILMENT OF LONG-TERM DEBT

FOREIGN CURRENCY-DENOMINATED LOANS

- **SMC**

  On March 11 and April 1, 2026, SMC drew a total of US$1,500 million from the loan facility executed on December 3, 2025, subject to a floating interest rate and will mature in December 2030. The net proceeds of the loan were used for general corporate purposes.

- **San Miguel Global Power Holdings Corp. (San Miguel Global Power)**

  On April 8 and June 26, 2026, San Miguel Global Power drew a total of US$500 million from the loan facility executed on March 26, 2026, subject to a floating interest rate and will mature in March 2029. The net proceeds of the loan are being used for financing and/or refinancing renewable energy projects, including hydro, wind, and solar power plants awarded under the Department of Energy's Green Energy Auction Program (GEAP).

PESO TERM LOANS

- **San Miguel Global Power**

  On March 31, 2026, San Miguel Global Power availed of a P20,000 million term loan subject to a fixed interest rate and with maturities up to seven years. The net proceeds of the loan are being used to partially finance capital expenditures and for general corporate requirements pertaining to the pipeline of renewable energy projects awarded under the GEAP.

- **Masinloc Power Co. Ltd. (MPCL)**

  On July 17, 2026, MPCL availed of a P50,000 million from a loan facility executed with various local banks on July 9, 2026. The loan is subject to a fixed interest rate and with maturities up to October 2035. The net proceeds of the loan are being used to settle obligations with the contractors and suppliers related to the Masinloc expansion project, and to fund remaining project costs, transaction costs, fees and expenses in connection with or arising from the establishment of the said project.

- **SMC**

  On July 30, 2026, SMC availed of a P15,000 million term loan subject to a floating interest rate and will mature in July 2033. The net proceeds of the loan were used to refinance the short-term bridge loan availed on June 24, 2026.

ISSUANCE OF SERIES N, SERIES O AND SERIES P FIXED RATE PESO-DENOMINATED BONDS BY SAN MIGUEL GLOBAL POWER

On April 17, 2026, San Miguel Global Power issued and listed on the Philippine Dealing & Exchange Corp. a total of P30,000 million Fixed Rate Peso-denominated Bonds. The bonds consist of: (i) P14,607 million Series N Bonds due in 2031 with an interest rate of 7.6264% per annum; (ii) P5,505 million Series O Bonds due in 2033 with an interest rate of 7.8682% per annum; and (iii) P9,888 million Series P Bonds due in 2036 with an interest rate of 8.1761% per annum.

The net proceeds of issuance of the bonds were used for payment of: (i) P6,923 million Series J Bonds on April 24, 2026; (ii) P4,756 million Series C Bonds on July 13, 2026; (iii) partial funding of renewable energy projects, including hydro and solar power plants; and (iv) transaction-related fees, costs and expenses.

PAYMENT OF MATURING OBLIGATIONS

For the nine-month period ended September 30, 2026, the Group paid a total of P90,152 million of its scheduled amortizations and maturing obligations, funded through loan proceeds and cash generated from operations.

ISSUANCE AND REDEMPTION OF PREFERRED SHARES

Issuance of Series "2" Preferred Shares - Subseries "2-V" (SMC2V Preferred Shares), Subseries "2-W" (SMC2W Preferred Shares), and Subseries "2-X" (SMC2X Preferred Shares) by SMC

On August 3, 2026, SMC issued and listed on the Philippine Stock Exchange, Inc. (PSE) 192,269,030 SMC2V Preferred Shares, 104,558,760 SMC2W Preferred Shares, and 103,172,210 SMC2X Preferred Shares (the "Offer Shares"). The shares were issued at P75.00 per share, for a total amount of P30,000 million, with dividend rates of 8.0401%, 8.3570% and 8.6483% per annum, respectively.

The Offer Shares are perpetual and have no fixed final maturity date.

The shares are cumulative, non-voting, non-participating, non-convertible, redeemable, reissuable Philippine Peso-denominated perpetual Series "2" Preferred Shares, issued from SMC's treasury shares.

The net proceeds from the issuance were used for: (a) refinancing of existing short-term loans incurred to redeem Series "2" Preferred Shares - Subseries "2-I" (SMC2I Preferred Shares) in March 2026; and (b) additional investments in the Infrastructure business, including the Manila International Airport (MIA) and other airport-related projects in Bulakan, Bulacan. The remaining balance will be used for the repayment of Series C and Series J Bonds maturing in March 2027.

Issuance of Redeemable Preferred Shares by GP Renewable Power Corp. (GP Renewable)

On various dates in 2026, GP Renewable issued redeemable preferred shares amounting to P36,299 million which are being used for renewable energy projects and for general corporate purposes.

The redeemable preferred shares are: (a) non-voting, except in those cases expressly required under Section 6 of the Revised Corporation Code; (b) not convertible to any class or series of common shares or preferred shares; (c) redeemable at the option of the issuer at any time upon determination by the Board of Directors (BOD) of GP Renewable, at a redemption price equivalent to the issue price; (d) shall have no pre-emptive right to any issue or disposition of any share of any class of the issuer; and (e) in case of dissolution and liquidation, the holder of the redeemable preferred shares shall be entitled to be paid in full, or ratably to the extent that the remaining assets of the issuer will permit, the issue price, without being entitled to any preference over holders of common shares in the distribution of assets.

Redemption of SMC2I Preferred Shares by SMC

On March 30, 2026, SMC redeemed 169,333,400 SMC2I Preferred Shares issued on March 30, 2016 at a redemption price of P75.00 per share. Cash dividends were also paid together with the redemption proceeds on the said redemption date. The redemption was approved by the BOD of SMC on January 15, 2026.

The SMC2I Preferred Shares were redeemed using a portion of the proceeds from the US$1,000 million term loan drawn on March 11, 2026 under the US$1,500 million loan facility and short-term loans.

The redeemed shares were not retired and may be reissued by SMC at a price to be determined by the BOD.

Redemption of Series 3B Preferred Shares by Petron Corporation (Petron)

On June 25, 2026, Petron redeemed 6,597,000 Series 3B Preferred Shares issued in June 2019 at a redemption price of P1,000.00 per share. The redemption was approved by the BOD of Petron on May 5, 2026.

The Series 3B Preferred Shares were redeemed using cash generated from operations.

ISSUANCE AND REDEMPTION OF CAPITAL SECURITIES

ENERGY

a. On January 20, 2026, San Miguel Global Power issued US$300 million Senior Perpetual Capital Securities (SPCS) with an initial distribution rate of 8.375% per annum. The securities were listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on January 21, 2026.

   The net proceeds from the issuance were used for the redemption on January 20, 2026 of the remaining US$300 million securities, out of the US$600 million SPCS issued in January 2020.

b. On June 17, 2026, San Miguel Global Power issued US$430 million SPCS (the "Securities"), at an issue price of 100%, with an initial distribution rate of 8.875% per annum, payable pursuant to the terms of the agreement. On the same day, the Securities were used in part for the exchange of certain existing SPCS amounting to US$271 million and the repurchase of certain existing SPCS amounting to US$154 million (the “Tender Offers”) pursuant to the Exchange and Tender Offers. The Securities were listed on the SGX-ST on June 18, 2026.

   The remaining proceeds were used for the payment of: (i) costs and expenses related to the issuance of the securities; (ii) accrued distribution in respect of the securities that was accepted for exchange and repurchase; and (iii) pre-development costs of solar and hydropower energy projects and capital expenditures related to battery energy storage system (BESS) projects.

c. On May 5, 2026, SMC Global Light and Power Corp. issued a US$500 million Redeemable Perpetual Capital Securities, with a prescribed initial distribution rate per annum, payable pursuant to the terms of the agreement. The net proceeds of the issuance were used to fund the development of the renewable energy projects.

PETRON

On April 19, 2026, Petron redeemed US$163 million SPCS issued in April 2021, as approved by Petron’s BOD on March 3, 2026. Cash distributions were also paid together with the redemption proceeds on the said redemption date.

The SPCS were redeemed using cash generated from operations.

EVENTS AFTER THE REPORTING DATE

Sale of Common Shares in Manila Electric Company (Meralco) by San Miguel Global Power

On October 1, 2026, the BOD of San Miguel Global Power approved the sale of up to 46,596,596 common shares in Meralco. On October 1 and October 6, 2026, San Miguel Global Power agreed to sell 21,414,758 common shares to Metro Pacific Investments Corporation and 3,767,080 common shares to Mr. Manuel V. Pangilinan, representing approximately 1.90% and 0.33% of Meralco’s total issued and outstanding common shares, respectively. The shares were sold at P580.99 per common share through special block sales on the PSE on October 8 and October 9, 2026.

Redemption of SPCS by San Miguel Global Power

On October 1, 2026, the BOD of San Miguel Global Power approved the redemption on December 9, 2026 of all the outstanding US$259 million SPCS issued on June 9, 2021.

II. FINANCIAL PERFORMANCE

2026 vs. 2025

	For the Periods Ended September 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
(Amounts in Millions)	**2026**	**2025**	**Amount**	**%**	**2026**	**2025**
Sales	**P1,465,420**	P1,091,119	P374,301	34%	**100%**	100%
Cost of sales	**(1,244,406)**	(882,676)	361,730	41%	**(85%)**	(81%)
Gross profit	**221,014**	208,443	12,571	6%	**15%**	19%
Selling and administrative expenses	**(79,216)**	(71,059)	8,157	11%	**(5%)**	(7%)
Operating income	**141,798**	137,384	4,414	3%	**10%**	12%
Interest expense and other financing charges	**(81,826)**	(74,474)	7,352	10%	**(6%)**	(7%)
Interest income	**13,970**	11,978	1,992	17%	**1%**	1%
Equity in net earnings of associates and joint ventures	**10,525**	8,013	2,512	31%	**1%**	1%
Gain on sale of property and equipment	**1,961**	898	1,063	118%	**0%**	0%
Other income (charges) - net	**(26,556)**	17,319	(43,875)	(253%)	**(2%)**	2%
Income before income tax	**59,872**	101,118	(41,246)	(41%)	**4%**	9%
Income tax expense	**(12,525)**	(22,475)	(9,950)	(44%)	**(1%)**	(2%)
Net Income	**P47,347**	P78,643	(P31,296)	(40%)	**3%**	7%
Net income attributable to:						
Equity holders of the Parent Company	**P6,353**	P39,210	(P32,857)	(84%)	**0%**	3%
Non-controlling interests	**40,994**	39,433	1,561	4%	**3%**	4%
Net Income	**P47,347**	P78,643	(P31,296)	(40%)	**3%**	7%

The Group’s consolidated sales for the nine-month period ended September 30, 2026 amounted to P1,465,420 million, reflecting a 34% increase compared to the same period last year. The increase was primarily driven by the: (a) combined effects of higher average selling prices and 3% growth in sales volume of Petron, particularly from Petron Singapore Trading Pte. Ltd. (PSTPL); (b) contributions from the new power supply agreements (PSAs) of the Mariveles, Masinloc and San Roque Power Plants that took effect in June, August and September 2025, respectively; (c) revenues of the five BESS facilities which commenced commercial operations in 2025; (d) revenues from the recovery of the incremental power supply costs incurred in 2022; and (e) 6% volume growth in the Food division.

The Group's cost of sales increased by P361,730 million or 41% primarily driven by Petron’s higher average cost per liter and increased volume of petroleum products sold.

Gross profit increased by 6% despite a 34% growth in sales, mainly due to the higher cost of sales incurred during the period.

The increase in selling and administrative expenses by P8,157 million was mainly due to higher: (a) salaries and employee benefits, and depreciation primarily attributable to new facilities of the Group; (b) contracted services of the Energy business; and (c) handling costs from volume and rate increases and stepped-up advertising and promotional expenses of the Food and Beverage business.

The increase in interest expense and other financing charges by P7,352 million was mainly due to higher interest expense from the new loans availed by SMC starting July 2025 and finance charges incurred by San Miguel Global Power for the sale of certain trade receivables to a local bank.

The increase in interest income by P1,992 million was mainly due to higher average balances of money market placements of the Energy business and SMC.

The increase in equity in net earnings of associates and joint ventures by P2,512 million was primarily due to the recognition of the Group's share in the net income of New NAIA Infra Corp., compared with a net loss in 2025 and the Group's share in the net income of Excellent Energy Resources Inc. (EERI) for nine months, compared with approximately eight months in 2025, following its deconsolidation.

The gain on sale of property and equipment, amounting to P1,961 million and P898 million in 2026 and 2025, respectively, mainly represents gains recognized on the sale of land, machinery and equipment, and transportation equipment.

Other charges - net of P26,556 million in 2026 was a reversal from the other income - net of P17,319 million in 2025. This was primarily attributable to higher net foreign exchange loss in 2026 and the one-time gain of P21,933 million recognized in 2025 from the fair valuation of the residual 33% ownership interests in South Premiere Power Corp. (SPPC), EERI and Ilijan Primeline Industrial Estate Corp. (IPIEC).

The decrease in income tax expense by P9,950 million was mainly due to the deferred income tax benefits recognized on higher unrealized net foreign exchange loss of SMC.

Consolidated net income declined to P47,347 million, compared to P78,643 million last year, mainly on account of the higher net foreign exchange loss in 2026 and the one-time gain recognized in 2025 from the fair valuation of the investments in SPPC, EERI and IPIEC following the dilution of San Miguel Global Power’s ownership interest from 100% to 33%. These factors were partially mitigated by the income from recovery of the incremental power supply costs by the Energy business and improved operations of the Infrastructure business.

Net income attributable to equity holders of the Parent Company decreased to P6,353 million primarily due to lower consolidated net income.

The following are the highlights of the performance of the individual business segments:

1. FOOD AND BEVERAGE

The financial performance for the nine months ended September 30, 2026 of San Miguel Food and Beverage, Inc. (SMFB) reflects a challenging business environment shaped by persistent economic uncertainties, rising operational costs, market fluctuations, and other external pressures.

Consolidated sales for the nine months ended September 30, 2026, reached P309,587 million, representing a 2% increase compared to the same period in 2025. Meanwhile, consolidated income from operations and consolidated net income both declined by 9% to P40,571 million and P30,623 million, respectively.

a) Beer and Non-Alcoholic Beverages (NAB) Division

San Miguel Brewery Inc. (SMB) posted consolidated sales of P109,249 million, 1% lower than in the same period last year. This was mainly due to softer consumer spending in the second quarter, which affected consumption in the local market, while supply chain disruptions caused by the Middle East conflict impacted international operations.

Consolidated operating income and consolidated net income decreased by 14% to P20,505 million and P16,142 million, respectively, compared with the same period last year.

Domestic Operations
Domestic sales reached P96,722 million, representing a slight 2% decline from the previous year. The impact of the 7% decrease in sales volume was largely mitigated by the price increase implemented in January 2026, which helped sustain revenue levels despite softer market demand. The lower volumes were primarily attributable to weaker consumer spending as persistent inflationary pressures and elevated commodity prices continued to weigh on household purchasing power. These challenging economic conditions prompted consumers to exercise greater caution in their spending decisions, resulting in reduced demand across key markets during the period. Despite these headwinds, September volume rebounded by 22% versus August and 2% versus September of last year, which partially cushioned the effect of the year-to-date shortfall.

International Operations
SMB's international operations recorded consolidated revenues of US$207 million for the nine months ended September 30, 2026, representing a 5% decline from US$218 million reported in the same period last year. This was primarily attributable to the impact of the US-Israel-Iran conflict, which created logistical challenges in the Strait of Hormuz and exerted pressure on margins through higher freight and production input costs.

b) Spirits Division

Ginebra San Miguel Inc. (GSMI) maintained consolidated revenues of P48,910 million, at the same level as the P48,663 million posted in the first three quarters of last year, mainly driven by higher selling prices despite challenging market conditions.

Consolidated operating income and consolidated net income rose to P7,984 million and P6,530 million, respectively.

c) Food Division

The Food division registered consolidated revenues of P151,431 million for the first three quarters of 2026, a 6% increase from P143,514 million in 2025, driven by strong volume growth in the Feeds and Dairy businesses, complemented by improved selling prices across the Prepared and Packaged Food segment.

Consolidated operating income of P11,711 million for the first nine months of 2026 was 9% lower than in the same period in 2025, as rising input costs offset topline growth despite disciplined cost management.

The Animal Nutrition and Health segment led the Food division's topline growth, posting a robust 27% increase compared to the same period last year. The increase was largely attributed to the recovery in hog feed volumes, aided by product enhancements, successful execution of sales and marketing programs, and expanded distribution coverage. Furthermore, growth in broiler and layer feeds volumes, as well as a modest uplift in selling prices, strengthened the revenue outcome.

The Prepared and Packaged Food segment, consisting of processed meats, ready-to-eat and plant-based food, dairy, spreads and coffee businesses, recorded a growth in revenues of 4% compared to the same period in 2025. Sell-ins of Magnolia's cheese, margarine, salad aids, milk and flour mixes grew year-on-year, along with San Miguel Super Coffeemix Co., Inc.'s Sugarfree and Barako coffee mix variants. The Purefoods-Hormel Company, Inc. (PF-Hormel) high-value processed meat products, including luncheon meats, nuggets, Pinoy Favorites, and whole hams, likewise posted growth, enhancing the product mix. In addition, Star Corned Beef and Vida bacons and hams delivered incremental volume growth. Better pricing and improved sales mix across the Prepared and Packaged Food segment further bolstered topline performance.

The Protein segment, comprising poultry and fresh meats businesses, delivered a 5% decline in revenue from the prior year. Poultry volumes were 1% below last year's level, cushioned by sustained growth in food service and wet market channels. Overall performance, however, was weighed down by unfavorable chicken selling prices, driven by the excessive supply of frozen chicken imports in the market. In contrast, the Fresh Meats business was in a favorable pricing position, which partly offset lower volumes resulting from reduced operations due to the persistent impact of African Swine Fever.

2. PACKAGING

The Packaging business generated consolidated revenues of P29,575 million, 4% higher than last year, as robust growth from its international operations helped offset softer demand in its core domestic businesses, particularly in the glass segment, which remains its largest segment.

Consolidated operating income declined by 21% to P1,708 million, primarily due to lower volumes and higher input costs, with the glass segment accounting for the bulk of the decline.

3. ENERGY

San Miguel Global Power's consolidated revenues for the first three quarters of 2026 amounted to P149,077 million, higher by 25% from the same period in 2025. The increase in revenues primarily represents the: (i) contributions from new PSAs of the Mariveles, Masinloc and San Roque Power Plants that took effect in June, August and September 2025, respectively; (ii) revenues from sales to the Reserve Market by the five BESS facilities which commenced operations in 2025; and (iii) revenues from the recovery of incremental power supply costs incurred in 2022. These were partially offset by lower revenues from the: (i) Ilijan and Batangas Power Plants which contributed a month's worth of revenues in 2025 prior to their deconsolidation in January 2025; and (ii) Sual and Limay Power Plants due to the cessation of PSAs with certain distribution utilities in January 2026 and the first nine months of 2025, respectively.

Consolidated income from operations increased by 53% to P53,419 million for the first three quarters of 2026, driven by improved margins on contracted capacities, higher contributions from BESS facilities mainly through sales in the Reserve Market, and revenues recognized from the recovery of previously incurred power supply costs.

Consequently, the consolidated net income for the first three quarters of 2026 increased by 1% to P42,620 million, from P42,399 million reported for the same period in 2025.

4. FUEL AND OIL

International oil prices in the first nine months of 2026 were elevated and highly volatile compared with the prices in 2025 stemming from the ongoing geopolitical tensions in the Middle East, which disrupted supply and damaged oil infrastructures. In addition, Petron's total refining capacity was constrained by the unavailability of the Port Dickson Refinery's (PDR) product jetty in Malaysia.

Despite these challenges, Petron recorded consolidated net income of P5,404 million for the year-to-date September 2026, albeit 44% drop from the P9,670 million posted in the same period last year due to lower margins on limited refinery production and high import costs.

Consolidated sales volume was up by 3%, rising from 100.9 million barrels (MMB) to 103.5 MMB owing to the 33% growth in PSTPL's trading volume, complemented by the 1% increase in domestic sales for both Philippines and Malaysia. Retail sales emerged as the primary growth driver, increasing by 7% year-on-year on a consolidated basis, led by the Philippines. Conversely, other domestic trades and exports decreased volume mainly due to the lower production in both PDR and Bataan refinery.

Consolidated sales surged to P928,224 million, 56% higher than last year's P594,900 million driven by the elevated fuel prices triggered by the geopolitical conflict in the Middle East, coupled with the higher sales volume generated during the period.

5. INFRASTRUCTURE

The Infrastructure business delivered P30,862 million in consolidated revenues for the period, representing a 4% year-on-year increase. Growth was tempered by softer traffic volumes as higher fuel prices weighed on mobility. As a result, average daily traffic volumes declined by 1% to 1,057,531 vehicles.

Meanwhile, consolidated operating income increased by 1% to P16,856 million.

6. CEMENT

The Cement business posted consolidated revenues of P26,391 million, up by 3% year-on-year, supported by higher pricing and a slight increase in sales volume, as traded cement imports continued to decline.

Despite higher consolidated revenues, consolidated operating income declined by 14% to P4,355 million, as elevated raw material and power costs amid Middle East tensions more than offset the revenue gains.

2025 vs. 2024

	For the Periods Ended September 30		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
(Amounts in Millions)	2025	2024	Amount	%	2025	2024
Sales	P1,091,119	P1,179,521	(P88,402)	(7%)	100%	100%
Cost of sales	(882,676)	(983,803)	(101,127)	(10%)	(81%)	(84%)
Gross profit	208,443	195,718	12,725	7%	19%	16%
Selling and administrative expenses	(71,059)	(73,864)	(2,805)	(4%)	(7%)	(6%)
Operating income	137,384	121,854	15,530	13%	12%	10%
Interest expense and other financing charges	(74,474)	(72,693)	1,781	2%	(7%)	(6%)
Interest income	11,978	11,063	915	8%	1%	1%
Equity in net earnings of associates and joint ventures	8,013	1,612	6,401	397%	1%	0%
Gain on sale of investments and property and equipment	898	142	756	532%	0%	0%
Other income (charges) - net	17,319	(2,336)	19,655	841%	2%	(0%)
Income before income tax	101,118	59,642	41,476	70%	9%	5%
Income tax expense	(22,475)	(22,548)	(73)	(0%)	(2%)	(2%)
Net Income	P78,643	P37,094	P41,549	112%	7%	3%
Net income attributable to:						
Equity holders of the Parent Company	P39,210	P4,978	P34,232	688%	3%	0%
Non-controlling interests	39,433	32,116	7,317	23%	4%	3%
Net Income	P78,643	P37,094	P41,549	112%	7%	3%

The Group's consolidated sales of P1,091,119 million for the nine-month period of 2025 decreased by 7% compared to the same period in 2024 primarily due to: (a) lower average selling prices and sales volume of Petron; and (b) lower sales of the Energy business, following the deconsolidation of SPPC effective January 27, 2025, as well as to a lesser extent, lower sales of the Cement business. The decrease was partially offset by the strong performance of the Food division and GSMI, as well as steady traffic growth and price increase of the Infrastructure business.

The Group’s cost of sales decreased by P101,127 million or 10% mainly due to: (a) Petron on account of lower average cost per liter and decrease in volume of petroleum products sold; and (b) the Energy business on account of the deconsolidation of SPPC and lower generation costs as a result of the decrease in global coal prices, partially offset by the full nine months operations of Units 1, 2, 3 and 4 of Mariveles Power Generation Corporation and the costs of the Batangas Combined Cycle Power Plant (BCCPP) of EERI prior to its deconsolidation.

Gross profit increased by 7% despite a 7% decline in sales, primarily driven by the lower cost of sales incurred in 2025.

Consolidated operating income increased by P15,530 million, mainly on account of: (a) increase in gross profit of the Food and Beverage business, driven by improved sales and well-managed costs and expenses; (b) growth in domestic sales volume, lower costs and improved production efficiency of Petron; (c) sustained tollway revenue growth in the Infrastructure business; and (d) improved margins of the Energy business, from contracted capacities with fuel passthrough arrangements for most bilateral customers and additional margins contributed by ancillary services rendered for National Grid Corporation of the Philippines (NGCP) and offered to the Reserve Market through BESS.

The increase in interest income by P915 million was primarily due to higher average balance of money market placements of the Energy business, partially offset by the lower average balances of the Infrastructure and Cement businesses.

The increase in equity in net earnings of associates and joint ventures by P6,401 million was mainly due to the share in the net income of EERI and SPPC for about eight months.

The increase in gain on sale of investments and property and equipment by P756 million pertains mainly to the disposal of transportation equipment and land.

Other income - net of P17,319 million in 2025 was a turnaround from the other charges - net of P2,336 million in 2024. This mainly pertains to the P21,933 million gain recognized from the fair valuation of the residual 33% ownership interests in SPPC, EERI and IPIEC, reduced by the higher amount of net foreign exchange loss in 2025.

Consolidated net income increased by P41,549 million primarily driven by: (a) gain recognized from the fair valuation of the investment in SPPC, EERI and IPIEC, following the dilution of San Miguel Global Power's ownership interest from 100% to 33%; (b) the share in net income of EERI and SPPC, from its remaining 33% ownership interest; and (c) the improved operations of Petron, the Food and Beverage and Infrastructure businesses.

Net income attributable to equity holders of the Parent Company increased by P34,232 million primarily due to higher consolidated net income, partially offset by the increase in the share of non-controlling interests (NCI) on the Group’s net income.

The increase in the net income attributable to NCI by P7,317 million was mainly due to the higher consolidated net income of the Group and distribution on capital securities of San Miguel Global Power and Petron.

The following are the highlights of the performance of the individual business segments:

1. FOOD AND BEVERAGE

SMFB posted consolidated revenues of P302,921 million, a 4% increase year-on-year, with growth contributions from GSMI and the Food division.

Consolidated operating income rose by 12% to P44,668 million, supported by improvements and margin expansion across all divisions. Consolidated net income stood at P33,699 million.

a) Beer and NAB Division

SMB reported consolidated revenues of P110,742 million, almost matching the 2024 level. Consolidated operating income rose by 2% to P23,899 million, reflecting effective cost management, which was supported by a September 2024 price increase, resulting in improved margins.

Consolidated net income reached P18,795 million, up by 1% from the same period in 2024.

Domestic Operations
SMB's domestic operations revenues totaled P98,296 million, a slight 1% decline year-on-year. The softer performance was due to subdued consumer spending as well as trade loading in the previous period following a price increase implemented in September 2024.

International Operations
SMB's international operations registered modest growth with all key metrics registering growth. Revenues reached US$218 million, up by 3% versus the same period in 2024. Growth was driven by strong volume growth in Hong Kong and Vietnam.

b) Spirits Division

GSMI sustained its strong performance, with consolidated revenues reaching P48,663 million, marking a 7% year-on-year increase, primarily driven by higher selling prices.

Consolidated operating income rose by 19% to P7,509 million, reflecting improved cost efficiency and favorable sales mix, which offset higher excise taxes and operating expenses. Consolidated net income grew by 17% reaching P6,347 million.

c) Food Division

The Food division maintained its solid performance with a 7% revenue growth for the nine-month period in 2025 to P143,514 million. Strong volume growth was sustained across key segments.

Consolidated operating income grew by 32% to P12,920 million, reflecting sustained business growth. The Protein segment delivered stronger gross contribution margins, increasing to 14% from 11%. Continued cost efficiencies in the Flour segment helped offset elevated input costs in other segments, supporting consolidated operating margin expansion to 9% from 7%.

Consolidated net income posted a 33% increase to P8,920 million.

The Protein segment revenues grew by 11% for the nine-month period in 2025 fueled by higher volumes and continued favorable selling prices.

The Animal Nutrition and Health segment's year-to-date revenue declined to 1%, narrowing the gap from the 5% shortfall in the first half of 2025, supported by steady volume recovery.

The Prepared and Packaged Food segment maintained strong growth, posting 9% increase in revenues on the back of favorable selling prices and a 7% improvement in volumes, highlighted by Magnolia's double-digit increase by 16%.

2. PACKAGING

The Packaging business posted September 2025 year-to-date consolidated revenues at P28,395 million. Consolidated operating income reached P2,173 million, a 4% increase from the same period in 2024, due to implemented cost savings programs.

3. ENERGY

San Miguel Global Power's consolidated revenues for the first three quarters of 2025 amounted to P118,795 million, lower by 23% from the P153,592 million recognized in the same period in 2024. The decline was due primarily to the dilution of its equity interest in and resulting deconsolidation of SPPC. In addition, the decline in revenues reflects a downward adjustment in fuel tariffs to bilateral customers as coal fuel prices went down by 22% with GC Newcastle prices declining from an average of US$134 per metric ton (MT) for the first nine months of 2024 to US$104/MT for the same period in 2025. These were compensated by the revenue contributions from the following: (a) the full nine-month operations of the four generation units of the Mariveles Greenfield Power Plant and three BESS facilities, which started commercial operations in March 2024; (b) additional five BESS facilities, that began commercial operations in the first half of 2025; and (c) Units 1 and 2 of EERI's BCCPP, which is 33% owned by the Group following the aforesaid dilution, were declared operational on December 26, 2024 and January 7, 2025, respectively.

Consolidated income from operations rose by 4% year-on-year to P34,834 million, with operating margins expanding to 29% from 22% in 2024. This improvement is a result of better contracted margins and Reserve Market sales and ancillary services rendered to the NGCP.

Consolidated net income surged to P42,399 million, up by 215% year-on-year, bolstered by the P21,933 million gain from the fair valuation of investment in SPPC, EERI and IPIEC, following the dilution of San Miguel Global Power's ownership interest from 100% to 33% and higher earnings from key operating assets. Excluding the one-off gain, consolidated net income improved by 52%.

4. FUEL AND OIL

Petron reported consolidated revenues of P594,900 million for the nine-month period ended September 30, 2025, 10% lower year-on-year. The decline was mainly driven by the drop in Dubai crude from an average of US$81.62 per barrel in 2024 to US$71.31 per barrel in 2025. Consolidated volumes reached 100.9 MMB, 3% lower from the same period in 2024.

In the Philippines, domestic demand remained strong with retail and commercial volumes increased by 11% and 5%, respectively. Including soft trading volumes, however, total Philippine volumes fell by 4%. In Malaysia, volumes declined by 3%, reflecting continued effects of targeted fuel subsidy implementation.

Consolidated operating income grew by 20% year-on-year to P26,636 million, supported by higher domestic sales, lower crude premium and improved plant efficiency.

Consolidated net income increased by 37% year-on-year to P9,670 million.

5. INFRASTRUCTURE

The Infrastructure business' consolidated revenues reached P29,618 million, a 7% increase from the same period in 2024. The growth was driven by higher traffic volume across all concessionaires, with combined average daily vehicle count increasing by 4% to 1,068,337 vehicles, complemented by the impact of partial toll rate increase of South Luzon Expressway (SLEX) implemented in August 2024.

Consolidated operating income increased by 12% to P16,681 million, reflecting a double-digit growth supported by controlled costs.

6. CEMENT

The Cement business recorded consolidated revenues of P25,531 million for the nine-month period of 2025, down by 6% year-on-year. This was primarily due to lower volumes and weaker selling prices caused by the influx of cheap imports, estimated to account for 21% of industry volume as at end of September 2025. Consolidated operating income reached P5,092 million.

III. FINANCIAL POSITION

2026 vs. 2025

	September 30	December 31	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
(Amounts in Millions)	**2026**	**2025**	**Amount**	**%**	**2026**	**2025**
Cash and cash equivalents	**P452,765**	P351,715	P101,050	29%	**15%**	13%
Trade and other receivables - net	**248,645**	247,559	1,086	0%	**8%**	9%
Inventories	**208,233**	145,800	62,433	43%	**7%**	5%
Current portion of biological assets - net	**3,342**	3,074	268	9%	**0%**	0%
Prepaid taxes and licenses	**95,317**	103,105	(7,788)	(8%)	**3%**	4%
Prepaid expenses and other current assets	**43,901**	31,689	12,212	39%	**1%**	1%
Total Current Assets	**1,052,203**	882,942	169,261	19%	**34%**	32%
Investments and advances - net	**190,095**	127,258	62,837	49%	**6%**	5%
Investments in equity and debt instruments	**48,343**	47,862	481	1%	**2%**	2%
Property, plant and equipment - net	**828,216**	808,450	19,766	2%	**27%**	30%
Right-of-use assets - net	**44,338**	44,210	128	0%	**2%**	1%
Investment property - net	**106,295**	96,431	9,864	10%	**3%**	3%
Biological assets - net of current portion	**2,791**	2,661	130	5%	**0%**	0%
Goodwill - net	**186,994**	186,145	849	0%	**6%**	7%
Other intangible assets - net	**380,857**	359,842	21,015	6%	**13%**	13%
Contract assets	**78,667**	69,563	9,104	13%	**3%**	3%
Deferred tax assets	**32,728**	23,196	9,532	41%	**1%**	1%
Other noncurrent assets - net	**99,947**	77,600	22,347	29%	**3%**	3%
Total Noncurrent Assets	**1,999,271**	1,843,218	156,053	8%	**66%**	68%
Total Assets	**P3,051,474**	P2,726,160	P325,314	12%	**100%**	100%
Loans payable	**P228,941**	P230,592	(P1,651)	(1%)	**8%**	8%
Accounts payable and accrued expenses	**285,511**	254,023	31,488	12%	**10%**	9%
Lease liabilities - current portion	**9,183**	7,994	1,189	15%	**0%**	0%
Income and other taxes payable	**40,762**	41,753	(991)	(2%)	**1%**	2%
Dividends and distributions payable	**3,216**	4,639	(1,423)	(31%)	**0%**	0%
Current maturities of long-term debt - net of debt issue costs	**286,170**	176,286	109,884	62%	**9%**	7%
Total Current Liabilities	**853,783**	715,287	138,496	19%	**28%**	26%

Forward

	September 30	December 31	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
(Amounts in Millions)	**2026**	**2025**	**Amount**	**%**	**2026**	**2025**
Long-term debt - net of current maturities and debt issue costs	**P1,306,592**	P1,181,010	P125,582	11%	**42%**	43%
Lease liabilities - net of current portion	**24,291**	27,837	(3,546)	(13%)	**1%**	1%
Deferred tax liabilities	**30,380**	29,303	1,077	4%	**1%**	1%
Other noncurrent liabilities	**26,494**	25,383	1,111	4%	**1%**	1%
Total Noncurrent Liabilities	**1,387,757**	1,263,533	124,224	10%	**45%**	46%
Total Liabilities	**2,241,540**	1,978,820	262,720	13%	**73%**	72%
Capital stock - common	**16,443**	16,443	-	0%	**1%**	1%
Capital stock - preferred	**10,187**	10,187	-	0%	**0%**	0%
Additional paid-in capital	**176,922**	177,151	(229)	(0%)	**6%**	6%
Equity reserves	**(1,738)**	15,624	(17,362)	(111%)	**(0%)**	1%
Retained earnings:						
Appropriated	**123,141**	85,931	37,210	43%	**4%**	3%
Unappropriated	**89,777**	129,390	(39,613)	(31%)	**3%**	5%
Treasury stock	**(94,045)**	(111,345)	17,300	16%	**(3%)**	(4%)
Equity Attributable to:						
Equity holders of the Parent Company	**320,687**	323,381	(2,694)	(1%)	**11%**	12%
Non-controlling interests	**489,247**	423,959	65,288	15%	**16%**	16%
Total Equity	**809,934**	747,340	62,594	8%	**27%**	28%
Total Liabilities and Equity	**P3,051,474**	P2,726,160	P325,314	12%	**100%**	100%

Consolidated total assets as at September 30, 2026 amounted to P3,051,474 million, P325,314 million higher than December 31, 2025. This was primarily due to the increase in cash and cash equivalents, inventories, investments and advances, other intangible assets and other noncurrent assets.

The increase in cash and cash equivalents by P101,050 million was mainly due to cash generated from operations, proceeds from the net availment of long-term borrowings, net issuance of capital securities and preferred shares of the Energy business, and reissuance of treasury shares by SMC. The increase was partially offset by capital expenditures for the ongoing projects of the Energy and Infrastructure businesses, deposits made by the Energy business for future stock subscriptions, and payment of interests, dividends and distributions, and taxes.

The increase in inventories by P62,433 million was attributable mainly to: (a) Petron's increased prices of crude oil and finished products; (b) the Food division's higher volume of materials and supplies in preparation for peak season sales and higher material costs; and (c) the Energy business' higher coal inventories mainly from higher average coal prices and additional spare parts and fuel inventory levels in preparation for upcoming preventive maintenance activities.

The decrease in prepaid taxes and licenses by P7,788 million was primarily due to lower excise tax claims from sales to tax-exempt entities of Petron.

The increase in prepaid expenses and other current assets by P12,212 million was primarily attributable to: (a) the net increase in restricted cash set aside by the Energy business for debt servicing requirements, partially offset by the utilization of restricted cash by the Infrastructure business; and (b) higher outstanding commodity hedges of Petron.

The increase in investments and advances - net by P62,837 million was mainly due to: (a) deposits made by the Energy business for future stock subscriptions; (b) the recognition of San Miguel Global Power's share in the net income of EERI; and (c) additional investments made by San Miguel Global Power in EERI.

The increase in investment property - net by P9,864 million was mainly due to the acquisition of investment properties by the Energy business.

The increase in biological assets by P398 million was mainly attributable to the higher volume of flocks loaded in anticipation of growth in demand.

The increase in other intangible assets - net by P21,015 million was mainly due to additions to concession rights for the MIA Project and the costs of various other ongoing projects of the Infrastructure business, partially offset by amortization during the period.

The increase in contract assets by P9,104 million pertains to costs of the Mass Rail Transit 7 (MRT 7) Project.

The increase in deferred tax assets by P9,532 million was mainly due to deferred income tax recognized on unrealized losses arising from the revaluation of foreign currency-denominated long-term debt and short-term loans, partially offset by the deferred income tax recognized on unrealized gains arising from the revaluation of foreign currency-denominated cash and cash equivalents of SMC.

The increase in other noncurrent assets - net by P22,347 million was primarily due to the: (a) additional advances to contractors and suppliers mainly for the power-related projects of the Energy business; (b) fair value changes in existing noncurrent derivative assets and recognition of assets from newly entered into derivative contracts by SMC; and (c) additional restricted cash set aside by the Energy business in compliance with its loan covenant requirements.

The increase in accounts payable and accrued expenses by P31,488 million was mainly due to higher liabilities to suppliers for fuel and crude purchases and hedging counterparties of Petron, partially offset by the settlement of payables mainly to contractors of the ongoing construction projects of MPCL.

The decrease in dividends and distributions payable by P1,423 million was mainly due to the payment in January 2026 of dividends declared in November 2025 to the preferred shareholders of SMC, partially offset by the dividends declared by PF-Hormel to its common shareholders in April 2026, which are payable in December 2026.

The increase in total long-term debt, net of debt issue costs, by P235,466 million was primarily due to the net availments made by the Group and translation adjustments of foreign currency-denominated loans.

The decrease in total lease liabilities by P2,357 million was primarily due to payments made by San Roque Hydropower Inc. (SRHI) to Power Sector Assets and Liabilities Management (PSALM) under the Independent Power Producer Administration (IPPA) Agreement, partially offset by new lease contracts entered into by Petron and the Infrastructure business.

The decrease in equity reserves by P17,362 million was mainly due to the loss recognized on the: (a) fair valuation of the investment in common shares of stock of Meralco by San Miguel Global Power; (b) redemption and exchange of capital securities by the Energy business and Petron; and (c) changes in the fair value of cash flow hedging instruments of SMC.

The increase in appropriated retained earnings by P37,210 million was attributable to the appropriations made for: (a) the New Decongestion Facilities Project of SMC Tollways Corporation; and (b) the Pangasinan Poultry Processing Plant of the Food division.

The decrease in unappropriated retained earnings by P39,613 million was mainly due to net appropriations of retained earnings and dividends and distributions declared, partially offset by the net income attributable to equity holders of the Parent Company during the period.

The decrease in treasury stock by P17,300 million represents the reissuance of 192,269,030 SMC2V Preferred Shares, 104,558,760 SMC2W Preferred Shares and 103,172,210 SMC2X Preferred Shares at P75.00 per share on August 3, 2026. This was partially offset by the redemption of 169,333,400 SMC2I Preferred Shares at P75.00 per share on March 30, 2026.

The increase in NCI by P65,288 million was mainly due to the net issuance of capital securities and preferred shares by San Miguel Global Power, as well as the share of NCI in the Group’s net income and other comprehensive income. These were partially offset by the dividends and distributions declared to NCI and the net redemption of Petron’s preferred shares and capital securities.

2025 vs. 2024

(Amounts in Millions)	September 30 2025	December 31 2024	Horizontal Analysis Increase (Decrease) Amount	%	Vertical Analysis 2025	2024
Cash and cash equivalents	P343,681	P293,677	P50,004	17%	13%	11%
Trade and other receivables - net	244,563	266,981	(22,418)	(8%)	9%	10%
Inventories	161,765	178,355	(16,590)	(9%)	6%	7%
Current portion of biological assets - net	3,206	3,241	(35)	(1%)	0%	0%
Prepaid taxes and licenses	101,717	126,022	(24,305)	(19%)	4%	5%
Prepaid expenses and other current assets	36,122	32,158	3,964	12%	1%	1%
Total Current Assets	891,054	900,434	(9,380)	(1%)	33%	34%
Investments and advances - net	120,372	52,948	67,424	127%	4%	2%
Investments in equity and debt instruments	44,931	21,050	23,881	113%	2%	1%
Property, plant and equipment - net	799,477	891,450	(91,973)	(10%)	30%	33%
Right-of-use assets - net	44,533	43,302	1,231	3%	2%	1%
Investment property - net	91,556	87,909	3,647	4%	3%	3%
Biological assets - net of current portion	2,734	2,652	82	3%	0%	0%
Goodwill - net	185,626	184,994	632	0%	7%	7%
Other intangible assets - net	352,242	340,496	11,746	3%	13%	13%
Contract assets	66,126	56,028	10,098	18%	2%	2%
Deferred tax assets	22,514	22,045	469	2%	1%	1%
Other noncurrent assets - net	79,579	73,622	5,957	8%	3%	3%
Total Noncurrent Assets	1,809,690	1,776,496	33,194	2%	67%	66%
Total Assets	P2,700,744	P2,676,930	P23,814	1%	100%	100%
Loans payable	P229,347	P293,230	(P63,833)	(22%)	9%	11%
Accounts payable and accrued expenses	253,383	289,038	(35,655)	(12%)	9%	11%
Lease liabilities - current portion	7,357	11,736	(4,379)	(37%)	0%	0%
Income and other taxes payable	39,932	43,628	(3,696)	(8%)	2%	2%
Dividends and distributions payable	4,868	5,160	(292)	(6%)	0%	0%
Current maturities of long-term debt - net of debt issue costs	128,347	94,123	34,224	36%	5%	4%
Total Current Liabilities	663,234	736,915	(73,681)	(10%)	25%	28%

Forward

			Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	September 30	December 31				
(Amounts in Millions)	2025	2024	Amount	%	2025	2024
Long-term debt - net of current maturities and debt issue costs	P1,222,886	P1,173,146	P49,740	4%	45%	44%
Lease liabilities - net of current portion	29,546	30,809	(1,263)	(4%)	1%	1%
Deferred tax liabilities	29,333	34,861	(5,528)	(16%)	1%	1%
Other noncurrent liabilities	23,224	24,758	(1,534)	(6%)	1%	1%
Total Noncurrent Liabilities	1,304,989	1,263,574	41,415	3%	48%	47%
Total Liabilities	1,968,223	2,000,489	(32,266)	(2%)	73%	75%
Capital stock - common	16,443	16,443	-	0%	1%	1%
Capital stock - preferred	10,187	10,187	-	0%	0%	0%
Additional paid-in capital	177,442	177,442	-	0%	7%	6%
Capital securities	-	24,211	(24,211)	(100%)	0%	1%
Equity reserves	11,706	(5,275)	16,981	322%	0%	(0%)
Retained earnings:						
Appropriated	84,266	79,849	4,417	6%	3%	3%
Unappropriated	131,673	89,413	42,260	47%	5%	3%
Treasury stock	(126,413)	(109,763)	(16,650)	(15%)	(5%)	(4%)
Equity Attributable to:						
Equity holders of the Parent Company	305,304	282,507	22,797	8%	11%	10%
Non-controlling interests	427,217	393,934	33,283	8%	16%	15%
Total Equity	732,521	676,441	56,080	8%	27%	25%
Total Liabilities and Equity	P2,700,744	P2,676,930	P23,814	1%	100%	100%

Consolidated total assets as at September 30, 2025 amounted to P2,700,744 million, P23,814 million higher than December 31, 2024. This was primarily due to the increase in cash and cash equivalents, investments and advances, investments in equity and debt instruments and contract assets, reduced by the decrease in trade and other receivables, inventories, prepaid taxes and licenses and property, plant and equipment.

The increase in cash and cash equivalents of P50,004 million to P343,681 million was mainly due to the cash generated from operations, proceeds from redemption of investment in redeemable preferred shares of SPPC, EERI and IPIEC issued to San Miguel Global Power, proceeds from net availment of long-term debt and proceeds from issuance of capital securities by San Miguel Global Power and Petron. This was reduced by the redemption of capital securities and preferred shares by SMC, Petron and the Energy business, capital expenditures for the ongoing projects of the Infrastructure and Energy businesses and the Food division, investment in 32.98% equity interest in Linseed Field Corporation (LFC), net payment of short-term loans and payment of interest, dividends and distributions and lease liabilities.

The decrease in trade and other receivables - net by P22,418 million was mainly attributable to the: (a) net effect of deconsolidation of SPPC and EERI's receivables following the dilution of San Miguel Global Power's ownership interest effective January 27, 2025; and (b) lower trade receivable balance brought by lower volume sold by Petron and lower receivable from the Malaysian Government due to subsidy claims received.

The decrease in inventories by P16,590 million was attributable mainly to: (a) Petron's lower volume of crude oil and lower prices of crude oil and finished products; and (b) the deconsolidation of SPPC and EERI. The decrease was partially offset by the higher volume of finished products of Petron.

The decrease in prepaid taxes and licenses by P24,305 million was primarily due to the deconsolidation of SPPC and EERI and lower excise tax claims following Petron’s filing of excise tax refund claim with the BIR.

The increase in prepaid expenses and other current assets by P3,964 million was mainly due to the additional restricted cash set aside for debt servicing requirements by the Energy business, partially offset by the deconsolidation of SPPC.

The increase in investments and advances - net by P67,424 million mainly pertains to the 33% equity interests in SPPC, EERI and IPIEC, following the dilution of San Miguel Global Power's ownership interest effective January 27, 2025, and the investment in 32.98% equity interest in LFC.

The increase in investments in equity and debt instruments by P23,881 million was mainly due to acquisition and fair valuation of the investment in common shares of stock of Meralco by the Energy business.

The decrease in property, plant and equipment - net by P91,973 million was mainly due to the deconsolidation of SPPC and EERI, partially offset by the costs of the ongoing projects of the Energy business.

The increase in contract assets by P10,098 million pertains to the costs of the MRT 7 Project.

The increase in other noncurrent assets - net by P5,957 million was mainly due to the reclassification to idle assets from property, plant and equipment of the old cement line of the Cement business and the transaction costs incurred for a loan which was not yet drawn by SMC as of September 30, 2025.

The decrease in loans payable by P63,833 million was mainly due to the net payment made by the Group.

The decrease in accounts payable and accrued expenses by P35,655 million was mainly due to the deconsolidation of SPPC and EERI and payment of trade and non-trade payables of the Energy business, partially offset by net additional payables to contractors of ongoing construction projects of the Energy business.

The decrease in income and other taxes payable by P3,696 million was mainly due to the deconsolidation of SPPC.

The decrease in dividends and distributions payable by P292 million was mainly due to payment of dividends by Petron in 2025 relating to dividends declared in November 2024, partially offset by the declaration of dividends by PF-Hormel to common shareholders in March 2025, which were paid in December 2025.

The increase in total long-term debt, net of debt issue costs, by P83,964 million was primarily due to the net availments made by the Group and translation adjustments on foreign currency-denominated loans.

The decrease in total lease liabilities by P5,642 million was primarily due to payments made to PSALM by Sual Power Inc. for the lease agreement pertaining to the land where the Sual Power Plant is situated and SRHI under the IPPA Agreement.

The decrease in deferred tax liabilities by P5,528 million was mainly due to the deconsolidation of SPPC, reduced by the increase in the deferred tax liabilities from temporary differences on lease-related expenses in relation to the IPPA Agreement of the Energy business and utilization of net operating loss carry over by Petron.

The decrease in other noncurrent liabilities by P1,534 million was mainly due to the release of retention payable to contractors for the completed projects of the Infrastructure business.

The decrease in capital securities by P24,211 million represents the redemption by SMC of the US$500 million SPCS on July 29, 2025.

The increase in equity reserves by P16,981 million was mainly due to the fair valuation of the investment in common shares of stock of Meralco by the Energy business.

The increase in appropriated retained earnings by P4,417 million was attributable to the appropriations made for the: (a) SLEX Widening Project by SMC SLEX Inc.; and (b) payment of loans in December 2029 and December 2031, partially reduced by the reversal of appropriation for loans paid in March 2025 by SMB.

The increase in unappropriated retained earnings by P42,260 million was mainly due to net income attributable to equity holders of the Parent Company and the gain recognized by San Miguel Global Power on the redemption of investment in redeemable preferred shares of SPPC, EERI, and IPIEC. These were partially offset by the: (a) dividends and distributions declared; (b) difference of the redemption price and carrying amount of the US$500 million SPCS issued by SMC on July 29, 2020; (c) and net appropriations of retained earnings in 2025.

The increase in treasury stock by P16,650 million represents the redemption of 223,333,500 Series “2” Preferred Shares - Subseries “2-F” by SMC at P75.00 per share on September 22, 2025.

The increase in equity attributable to equity holders of the Parent Company by P22,797 million was mainly due to the: (a) net income earned in 2025; (b) gain on fair valuation of the investment in common shares of stock of Meralco; and (c) net gain on the redemption of investment in redeemable preferred shares held by San Miguel Global Power. These were reduced by the redemption of capital securities and preferred shares, dividends declared to holders of common and preferred shares, and distributions to holders of SPCS of SMC.

The increase in equity attributable to NCI by P33,283 million was mainly due to the net issuance of capital securities by San Miguel Global Power and Petron and the share of NCI in the total comprehensive income of the Group, net of dividends and distributions declared to NCI.

IV. SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

(In Millions)	**For the Periods Ended September 30**	
	2026	2025
Net cash flows provided by operating activities	**P81,675**	P106,854
Net cash flows provided by (used in) investing activities	**(179,324)**	5,247
Net cash flows provided by (used in) financing activities	**189,814**	(63,750)

Net cash flows provided by operating activities primarily consist of operating income before working capital changes, changes in current assets, certain current liabilities and others, including payments of interest, other financing charges and income taxes.

Net cash flows provided by (used in) investing activities included the following:

(In Millions)	**For the Periods Ended September 30**	
	2026	2025
Additions to:		
Investments and advances	**(P70,181)**	(P18,942)
Property, plant and equipment	**(63,463)**	(40,308)
Other intangible assets	**(26,998)**	(18,677)
Advances to contractors and suppliers	**(19,291)**	(4,936)
Investment property	**(14,149)**	(3,623)
Contract assets	**(5,722)**	(6,507)
Investments in equity and debt instruments	**(2,443)**	(4,742)
Increase in other noncurrent assets and others	**(12,877)**	(11,839)
Cash and cash equivalents of deconsolidated subsidiaries	**-**	(5,679)
Interest received	**13,990**	12,550
Collection of advances	**9,326**	12,084
Net proceeds of:		
Sale of property and equipment	**7,157**	3,687
Maturity and disposal of investments	**1,324**	621
Redemption of investment in redeemable preferred shares held by a subsidiary	**-**	78,717
Dividends received	**4,003**	12,841

Net cash flows provided by (used in) financing activities included the following:

(In Millions)	**For the Periods Ended September 30**	
	2026	2025
Net proceeds of:		
Availment of long-term debt	**P181,759**	P75,489
Issuance of capital securities of subsidiaries	**49,152**	48,728
Issuance of preferred shares of a subsidiary	**36,299**	-
Reissuance of treasury shares	**29,771**	-
Cash dividends and distributions paid to non-controlling shareholders	**(38,791)**	(31,454)
Redemption of:		
Capital securities of subsidiaries	**(27,631)**	(28,417)
Preferred shares	**(12,700)**	(16,650)
Preferred shares of a subsidiary	**(6,597)**	-
Capital securities	**-**	(28,655)
Cash dividends and distributions paid	**(10,326)**	(10,178)
Payments of lease liabilities	**(6,374)**	(10,332)
Net payments of short-term loans	**(4,615)**	(59,992)
Decrease in non-controlling interests' share in the net assets of subsidiaries and others	**(133)**	(1,159)
Acquisition of common treasury shares of a subsidiary	**-**	(1,130)

The effect of exchange rate changes on cash and cash equivalents amounted to P8,885 million and P1,653 million for the periods ended September 30, 2026 and 2025, respectively.

V. 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 of the current period against the same period of previous year. Please refer to Items II "Financial Performance" and III "Financial Position" for the discussion of certain Key Performance Indicators.

	September 30, 2026	December 31, 2025
Liquidity:		
Current Ratio	**1.23**	1.23
Quick Ratio	**0.82**	0.84
Solvency:		
Debt to Equity Ratio	**2.77**	2.65
Asset to Equity Ratio	**3.77**	3.65
Profitability:		
Return on Average Equity Attributable to Equity Holders of the Parent Company	**2.62%**	13.63%
Interest Rate Coverage Ratio	**1.73**	2.24
Return on Assets	**2.19%**	3.50%

	For the Periods Ended September 30	
	2026	2025
Operating Efficiency:		
Volume Growth (Decline)	**2%**	(5%)
Revenue Growth (Decline)	**34%**	(7%)
Operating Margin	**10%**	13%

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

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets - Inventories - Current Portion of Biological Assets - Prepayments}}{\text{Current Liabilities}}$
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	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company*}}{\text{Average Equity Attributable to Equity Holders of the Parent Company}}$
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	$\left(\frac{\text{Sum of all Businesses' Revenue at Prior Period Prices}}{\text{Prior Period Net Sales}}\right)$ -1
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}}\right)$ -1
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

* *Annualized for interim reporting.*

VI. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to P215,891 million as at September 30, 2026.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business and will be funded by available cash, short-term loans and long-term debt.

b. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate within the next 12 months any cash flow or liquidity problems. The Group was not in default or breach 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 have not been paid within the stated trade terms.

c. There were no known events that will trigger direct or contingent financial obligations that are material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets, except for Note 43 (a) of the Audited Consolidated Financial Statements as at December 31, 2025.

d. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operations, except for the impact of the US-Israel-Iran conflict as discussed below:

   The geopolitical tensions in the Middle East, following the joint attack by the US and Israel on Iran on February 28, 2026, have resulted in significant volatility in global oil and gas markets. Despite ceasefire efforts, renewed hostilities and continued restrictions on shipping through the Strait of Hormuz have affected global energy supplies and supply chains.

   During the nine months ended September 30, 2026, the conflict affected certain operations of the Group through higher fuel, raw material and power costs, margin pressures, and supply chain and shipping disruptions. The resulting increases in fuel prices, inflation and other uncertainties from the ongoing conflict also contributed to slower consumer spending and weaker demand for certain discretionary products.

   Higher oil and fuel prices have affected and may continue to affect the Group’s working capital requirements and operating costs. These impacts may be further influenced by depreciation of the Philippine Peso, as crude oil and fuel purchases and a portion of the Group’s borrowings are denominated in US Dollars. The Group continues to manage its exposure to commodity price and foreign currency fluctuations using derivative instruments under its risk management strategies. The Group also continues to implement measures to ensure supply chain reliability, diversify crude and product sourcing, optimize inventory levels, and manage operating costs.

   Management continues to monitor developments in the Middle East and assess their implications on the Group's operations and financial position. While certain impacts have already been reflected in the Group's results for the nine months ended September 30, 2026, the potential additional financial impact on subsequent reporting periods remains uncertain, depending on the duration and extent of the conflict and its effects on global commodity prices, supply chains and financial markets.

e. There are no significant elements of income or loss that did not arise from continuing operations.

f. Sales of the Food and Beverage business are affected by seasonality of customer purchase patterns. In the Philippines, food and alcoholic beverages, including those produced by the Group, generally experience increased sales during the Christmas holiday season. In addition, alcoholic beverages experience higher sales during the summer months, and typically slow down in the third quarter during the rainy season. As a result, performance for any one quarter of the Food and Beverage business 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. Except for the Food and Beverage business, the effects of seasonality or cyclicality on the interim operations of the Group’s businesses are not material.

g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.