CR07784-2023

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-Q

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

1. For the quarterly period ended

   Sep 30, 2023

2. SEC Identification Number

   ASO93-7946

3. BIR Tax Identification No.

   003-831-302-000

4. Exact name of issuer as specified in its charter

   ALLIANCE GLOBAL GROUP, INC.

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

   METRO MANILA, PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City, Metro Manila, Philippines

   Postal Code

   1110

8. Issuer's telephone number, including area code

   (632) 8709-2038 to 41

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

   N/A

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

| Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|---|---|
| Common | 9,040,173,279 |
| Treasury | 1,229,654,700 |

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

   (●) Yes ( ) No

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

   Philippine Stock Exchange; Common Shares

12. Indicate by check mark whether the registrant:

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

Yes No

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

Yes No

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

# Alliance Global Group, Inc.
# AGI

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

| | |
|---|---|
| **For the period ended** | Sep 30, 2023 |
| **Currency (indicate units, if applicable)** | Philippine Peso |

**Balance Sheet**

| | Period Ended | Fiscal Year Ended (Audited) |
|---|---|---|
| | Sep 30, 2023 | Dec 31, 2022 |
| **Current Assets** | 375,804,096,471 | 375,183,024,896 |
| **Total Assets** | 764,845,042,031 | 748,020,150,617 |
| **Current Liabilities** | 158,494,934,586 | 158,523,139,611 |
| **Total Liabilities** | 377,109,045,261 | 382,052,038,281 |
| **Retained Earnings/(Deficit)** | 187,014,410,392 | 174,156,661,143 |
| **Stockholders' Equity** | 387,735,996,770 | 365,968,112,336 |
| **Stockholders' Equity - Parent** | 255,558,154,616 | 232,732,073,072 |
| **Book Value per Share** | 28.27 | 25.5 |

**Income Statement**

| | Current Year (3 Months) | Previous Year (3 Months) | Current Year-To-Date | Previous Year-To-Date |
|---|---|---|---|---|
| **Gross Revenue** | 50,384,750,728 | 44,222,991,065 | 146,198,457,056 | 123,924,081,700 |
| **Gross Expense** | 39,690,431,706 | 35,451,227,091 | 115,292,299,263 | 97,872,968,231 |
| **Non-Operating Income** | 944,725,013 | 1,596,029,061 | 4,224,377,972 | 4,458,891,993 |
| **Non-Operating Expense** | 4,355,628,415 | 3,952,600,493 | 10,394,958,230 | 9,490,851,660 |
| **Income/(Loss) Before Tax** | 7,283,415,620 | 6,415,192,542 | 24,735,577,535 | 21,019,153,802 |
| **Income Tax Expense** | 1,326,250,795 | 1,263,214,833 | 4,593,010,291 | 3,901,986,681 |
| **Net Income/(Loss) After Tax** | 5,957,164,825 | 5,151,977,709 | 20,142,567,244 | 17,117,167,121 |
| **Net Income Attributable to Parent Equity Holder** | 3,688,496,947 | 3,682,288,045 | 12,934,102,277 | 11,917,965,135 |
| **Earnings/(Loss) Per Share (Basic)** | 0.42 | 0.4 | 1.46 | 1.28 |

| | | | | |
|---|---|---|---|---|
| **Earnings/(Loss) Per Share (Diluted)** | 0.42 | 0.4 | 1.46 | 1.28 |

| | Current Year (Trailing 12 months) | Previous Year (Trailing 12 months) |
|---|---|---|
| **Earnings/(Loss) Per Share (Basic)** | 3.18 | 2.56 |
| **Earnings/(Loss) Per Share (Diluted)** | 3.18 | 2.56 |

| Other Relevant Information |
|---|
| Please see the attached SEC Form 17-Q for the period ended 30 September 2023. |

**Filed on behalf by:**

| | |
|---|---|
| **Name** | Alan Quintana |
| **Designation** | Corporate Secretary |

| A | S | 0 | 9 | 3 | - | 7 | 9 | 4 | 6 |
|---|---|---|---|---|---|---|---|---|---|

S.E.C. Registration Number

| A | L | L | I | A | N | C | E | | G | L | O | B | A | L | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G | R | O | U | P | | I | N | C | . | | | | | | | | |

(Company's Full Name)

| 7 | / | F | | 1 | 8 | 8 | 0 | | E | A | S | T | W | O | O | D | | A | V | E | N | U | E | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| E | A | S | T | W | O | O | D | | C | I | T | Y | | C | Y | B | E | R | P | A | R | K | | |
| B | A | G | U | M | B | A | Y | A | N | | Q | U | E | Z | O | N | | C | I | T | Y | | | |

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

**DINA D.R. INTING**
Contact Person

**8709-2038 to 41**
Company Telephone Number

**1 2** | **3 1**
Month Day
Fiscal Year

**17-Q**
FORM TYPE
(**QUARTERLY REPORT FOR SEPTEMBER 30, 2023**)

**0 6** | **3rd Thurs.**
Month Day

**Certificate of Permit to Offer Securities for Sale**
Secondary License Type, If Applicable

S E C
Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders | Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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, 2023**

2. SEC Identification Number **AS093-7946**

3. BIR Tax Identification No. **003-831-302-000**

4. Exact name of issuer as specified in its charter **ALLIANCE GLOBAL GROUP, INC.**

5. **METRO MANILA, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry classification code

7. **7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark**
   **188 E. Rodriguez Jr. Ave., Bagumbayan, 1110 Quezon City**
   Address of principal office

8. **(632) 870920-38 to -41**
   Registrant's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC, or secs. 4 and 8 of the RSA

| Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|---|---|
| **Common** | **9,040,173,279**<br>(net of 1,229,654,700 buyback shares held by AGI) |

10. Are any or all of these securities listed on a Stock Exchange? **Yes, on the Philippine Stock Exchange.**

11. (a) AGI has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months.

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

# PART I – FINANCIAL INFORMATION

## 1. FINANCIAL STATEMENTS

Consolidated Statements of Financial Position
Consolidated Statements of Comprehensive Income
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Notes to Interim Consolidated Financial Statements
Schedule of Financial Soundness Indicators
Aging Schedule of Trade and Other Receivables Under Current Assets

The interim consolidated financial statements ("ICFS") have been prepared in accordance with the Philippine Financial Reporting Standards ("PFRS") and Philippine Accounting Standard 34, *Interim Financial Reporting*. As such, they do not include all of the information and disclosures required for full annual consolidated financial statements, and thus should be read in conjunction with the audited consolidated financial statements of the Group as of and for the year ended December 31, 2022 ("ACFS"). The accounting policies, methods and measurements used in the ICFS are consistent with those applied in ACFS. The amendments to existing standards adopted by the Group effective January 1, 2023 do not have material impact on the Group's ICFS. Accounting estimates, assumptions and judgments are used in preparing these statements; and while these are believed to be reasonable under the circumstances, actual results may ultimately differ from such estimates (see Note 3 to both the ACFS and ICFS).

The ICFS comprise the financial statements of the Company and its subsidiaries, after elimination of material intercompany transactions. In addition, shares of stock of the Company acquired by any of these subsidiaries are recognized as treasury shares and presented at cost as part of Treasury Shares in the consolidated statements of changes in equity. Any changes in their market values as recognized separately by the subsidiaries are likewise eliminated in full. Gain or loss on the sale of these treasury shares is presented as addition to or deduction from additional paid-in capital.

### Business Segments

The Group is organized into four major business segments, which aptly correspond to its operating subsidiaries, namely Megaworld, Emperador, Travellers or NWR (formerly known as RWM), and GADC, which in turn represent the main products and services provided by the Group and the lines of business in which the Group operates (namely, real estate property development and leasing, manufacture and distribution of distilled spirits, leisure-entertainment and hospitality, and quick-service restaurants operations) (see Note 4 to the ICFS).

The Group disaggregates revenues recognized from contracts with customers into these segments that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This same disaggregation is used in earnings releases, annual reports and investor presentations.

Please refer to Note 1 to the ICFS and ACFS for a comprehensive list of subsidiaries, associates and joint ventures.

## 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF INTERIM FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Key Performance Indicators – Top Five

| In Million Pesos | **M9 2023** | M9 2022 | YoY | YoY % | **Q3 2023** | Q3 2022 | YoY % | QoQ % | **Q2 2023** | Q2 2022 | YoY % | **Q1 2023** | Q1 2022 | YoY % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| REVENUES AND INCOME | 150,423 | 128,383 | 22,040 | 17.2 | 51,329 | 45,819 | 12.0 | 5.2 | 48,805 | 45,066 | 8.3 | 50,288 | 37,498 | 34.1 |
| NET PROFIT ["NP"] | 20,143 | 17,117 | 3,025 | 17.7 | 5,957 | 5,152 | 15.6 | (15.6) | 7,060 | 6,615 | 6.7 | 7,126 | 5,350 | 33.2 |
| NET PROFIT TO OWNERS ["NPO"] | 12,934 | 11,918 | 1,016 | 8.5 | 3,688 | 3,682 | 0.2 | (19.2) | 4,567 | 4,349 | 5.0 | 4,678 | 3,887 | 20.4 |
| NP rate ["NPR"] | 13.39% | 13.33% | | | 11.61% | 11.24% | | | 14.47% | 14.68% | | 14.17% | 14.27% | |
| NPO rate ["NPOR"] | 8.60% | 9.28% | | | 7.19% | 8.04% | | | 9.36% | 9.65% | | 9.30% | 10.37% | |
| EBITDA Margin | 27.98% | 27.78% | | | 27.19% | 25.32% | | | 28.39% | 28.56% | | 28.38% | 29.86% | |
| Return on investment/assets [NP/TA] | 2.63% | 2.36% | | | | | | | | | | 0.94% | 0.76% | |
| | Sept 30, 2023 | Dec 31, 2022 | YoY | % | | | | | June 30, 2023 | | | Mar 31, 2023 | | |
| TOTAL ASSETS | 764,845 | 748,020 | 16,825 | 2.2 | | | | | 753,331 | | | 756,419 | | |
| CURRENT ASSETS | 375,804 | 375,183 | 621 | 0.2 | | | | | 374,820 | | | 381,433 | | |
| CURRENT LIABILITIES | 158,495 | 158,523 | (28) | (0.0) | | | | | 153,872 | | | 172,263 | | |
| Current ratio | 2.37x | 2.37x | | | | | | | 2.44x | | | 2.21x | | |
| Quick ratio | 0.97x | 1.09x | | | | | | | 1.01x | | | 1.0x | | |
| | **M9 2023** | M9 2022 | YoY | YoY % | **Q3 2023** | Q3 2022 | YoY % | QoQ % | **Q2 2023** | Q2 2022 | YoY % | **Q1 2023** | Q1 2022 | YoY % |
| Profit before tax and interest expense | 33,658 | 27,271 | 6,387 | 23.4 | 10,689 | 8,600 | 24.3 | (5.0) | 11,251 | 10,152 | 10.8 | 11,718 | 8,519 | 37.6 |
| Interest expense | 8,922 | 6,252 | 2,670 | 42.7 | 3,406 | 2,185 | 55.9 | 22.5 | 2,780 | 2,337 | 18.9 | 2,737 | 1,730 | 58.2 |
| INTEREST COVERAGE | 3.77 | 4.36 | | | 3.14 | 3.94 | | | 4.05 | 4.34 | | 4.28 | 4.92 | |

- Revenue growth – measures the percentage change in sales/revenues over a designated period. Performance is measured in terms of both amount and volume, where applicable.
- Net profit growth – measures the percentage change in net profit over a designated period of time
- Net profit rate – computed as percentage of net profit to revenues - measures the operating efficiency and success of maintaining satisfactory control of costs
- Return on investment [or capital employed] – the ratio of net profit to total assets - measures the degree of efficiency in the use of resources to generate net income
- Current ratio – computed as current assets divided by current liabilities – measures the ability of the business to meet its current obligations. To measure immediate liquidity, quick assets [cash, marketable securities, accounts receivables] is divided by current liabilities
- Interest coverage ratio - computed as profit before tax and interest expense divided by interest expense -measures the business' ability to meet its interest payments.

### Results of Operations – First Nine Months 2023 vs 2022

The **Philippine economy**[1] grew 5.9% in the third quarter ("Q3") this year, rising from 4.3% in second quarter ("Q2"), supported by a strong rebound in government spending (6.7% vs -7.1% in Q2), yet slower than 6.4% in first quarter ("Q1"), for a quarterly average of 5.53% in the first nine months ("M9"), still behind pre-pandemic 2019 M9 average of 5.93%. The domestic economic activities continued to benefit from a better business environment[2] amid still high inflation[3] and interest rates[4].

[1] Source of GDP year-on-year growths: Philippine Statistics Authority ref. 2023-345 released November 9, 2023.
[2] Businesses and transportation are at full capacity under most relaxed Alert Level 1 which started from March 2022 for Metro Manila and most parts of the country. On May 5, 2023, WHO declared that COVID-19 pandemic is no longer a global health emergency, yet warning that the danger of the pandemic remains. The COVID-19 pandemic, which broke out in 2020 and put the world under a public health emergency of international concern (causing governments worldwide to impose, and re-impose, mobility and lockdown restrictions), was seen subsiding due to vaccination and this allowed

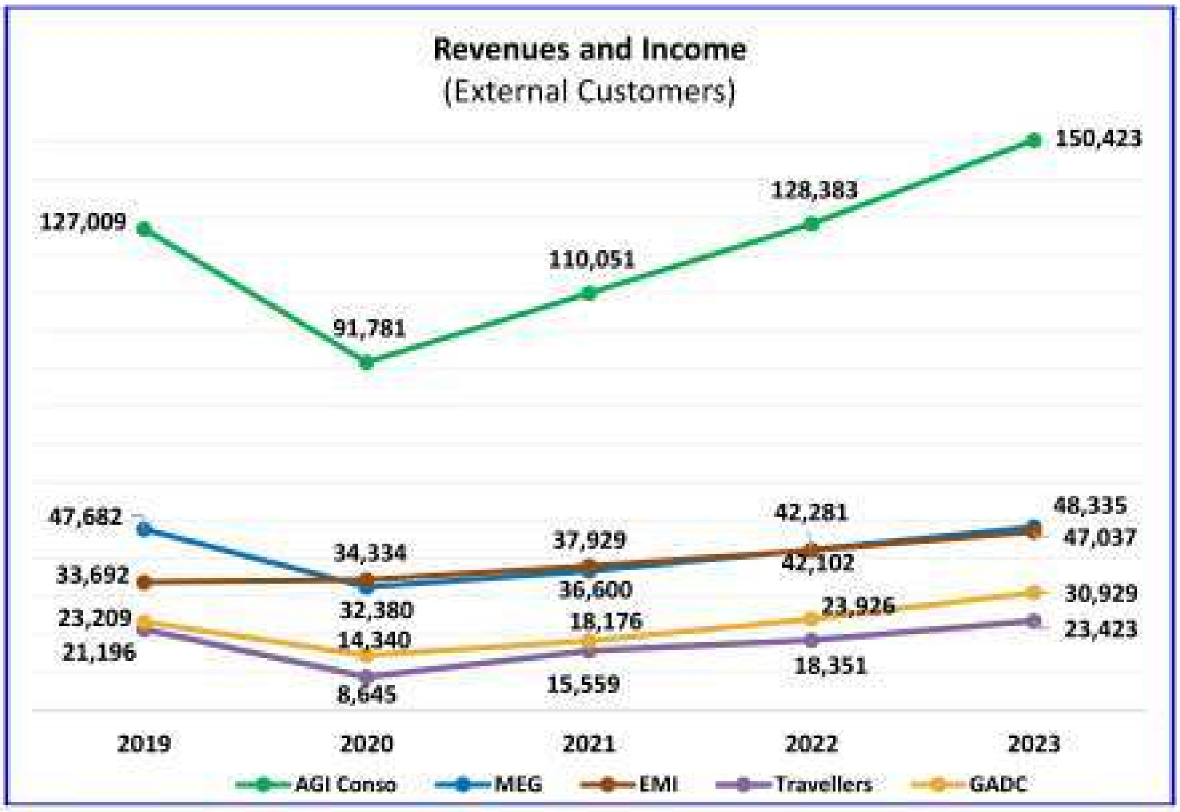
**The Group**, one of the country's largest conglomerates, continued its robust growth trajectory as it delivered consolidated growths in M9 this year over same period last year and now ahead of pre-pandemic M9 2019 performance. As economic activities fully opened up, revenues and income surged 17% year-on-year ("YoY") to P150.4 billion as net profit ("NP") soared 18% YoY to P20.1 billion, and net profit to owners ("NPO") climbed 8% YoY to P12.9 billion on the strength of the Group's diversified revenue streams, strong brand equity, creative offerings and aggressive market positioning. All business segments turned over double-digit topline growths ranging 12% to 29% during the current year-to-date period. Amid rising costs and expenses, the Group maintained operating efficiencies as M9 gross profit rate ("GPR") improved at 43% as compared to 42% during the same period last year while NP rate ("NPR") and NPO rate ("NPOR") remained stable at 13% and 9%, respectively, for the two comparable periods. Moreover, the Group's Q3 revenues and income grew 12% YoY to P51.3 billion resulting in Q3 NP growing 16% to P6.0 billion, out of which NPO remained stable at P3.7 billion.

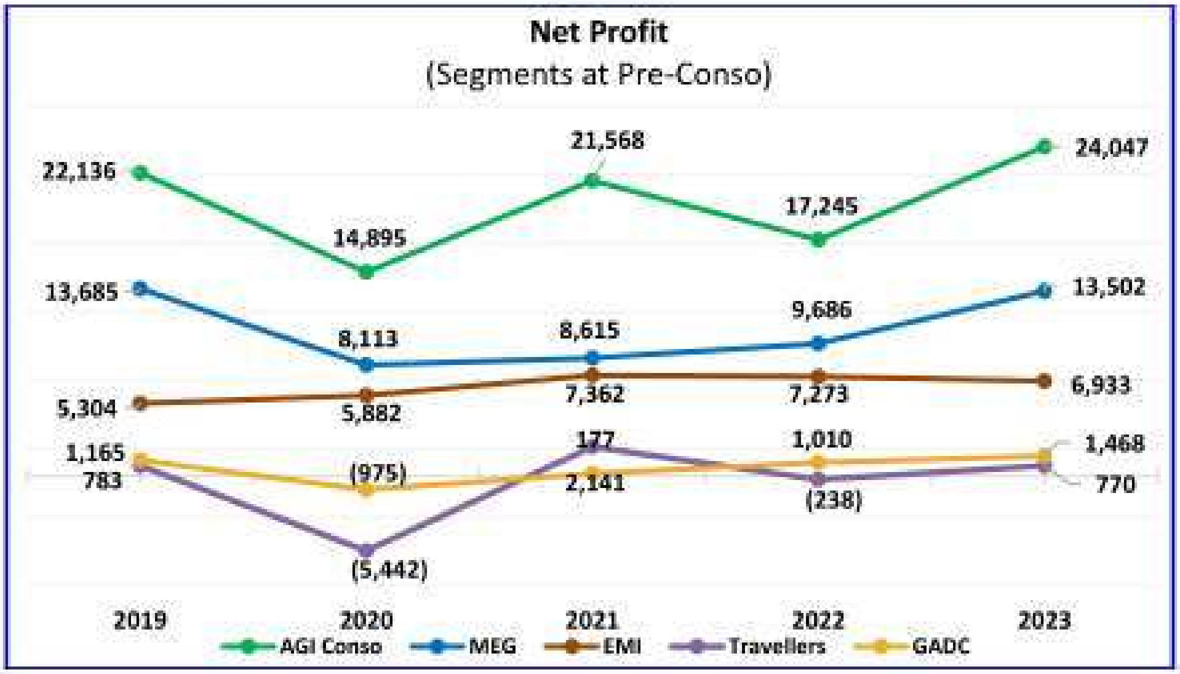
| In Million Pesos | Contri-bution [Conso] | M9 2023 Pre Conso* | M9 2022 Pre Conso* | YoY % Pre Conso | M9 2023 Conso* | M9 2022 Conso* | YoY Conso | YoY % Conso | Q3 2023 Conso* | YoY % | QoQ % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues and income** | 100% | 154,873 | 129,157 | 19.9% | 150,423 | 128,383 | 22,040 | 17.2% | 51,329 | 12.0% | 5.2% |
| Megaworld | 32% | 48,525 | 42,472 | 14.2% | 48,335 | 42,281 | 6,054 | 14.3% | 16,416 | 9.7% | 4.5% |
| Emperador | 31% | 47,084 | 42,119 | 11.8% | 47,037 | 42,102 | 4,936 | 11.7% | 15,986 | 10.9% | 3.4% |
| Travellers | 16% | 23,425 | 18,354 | 27.6% | 23,423 | 18,351 | 5,072 | 27.6% | 8,275 | 28.3% | 12.6% |
| Golden Arches | 21% | 30,870 | 23,966 | 28.8% | 30,929 | 23,926 | 7,003 | 29.3% | 10,623 | 24.4% | 3.5% |
| Others | 0% | 4,969 | 2,247 | 121.1% | 698 | 1,723 | (1,025) | (59.5%) | 29 | (98.0%) | (3.5%) |
| **Cost and expenses** | 100% | 126,233 | 108,011 | 16.9% | 125,687 | 107,364 | 18,323 | 17.1% | 44,046 | 11.8% | 9.2% |
| Megaworld | 26% | 32,312 | 30,420 | 6.2% | 32,312 | 30,420 | 1,893 | 6.2% | 11,213 | (0.2%) | 6.2% |
| Emperador | 31% | 38,832 | 33,748 | 15.1% | 38,359 | 33,294 | 5,065 | 15.2% | 13,162 | 11.2% | 5.8% |
| Travellers | 18% | 22,625 | 18,582 | 21.8% | 22,582 | 18,551 | 4,031 | 21.7% | 8,286 | 24.1% | 21.0% |
| Golden Arches | 23% | 28,903 | 22,552 | 28.2% | 28,898 | 22,419 | 6,478 | 28.9% | 9,953 | 21.9% | 4.0% |
| Others | 3% | 3,561 | 2,709 | 31.5% | 3,537 | 2,680 | 857 | 32.0% | 1,432 | (4.1%) | 55.0% |
| **Tax expense** | 100% | 4,593 | 3,902 | 17.7% | 4,593 | 3,902 | 691 | 17.7% | 1,326 | 5.0% | (6.0%) |
| Megaworld | 59% | 2,710 | 2,366 | 14.6% | 2,710 | 2,366 | 345 | 14.6% | 583 | (31.8%) | (39.0%) |
| Emperador | 29% | 1,319 | 1,097 | 20.2% | 1,319 | 1,097 | 222 | 20.2% | 560 | 92.7% | 80.3% |
| Travellers | 1% | 30 | 9 | 215.9% | 30 | 9 | 20 | 215.9% | 10 | 46.8% | (21.1%) |
| Golden Arches | 11% | 500 | 404 | 23.5% | 500 | 404 | 95 | 23.5% | 149 | 65.4% | 18.6% |
| Others | 1% | 34 | 25 | 35.5% | 34 | 25 | 9 | 35.5% | 24 | 19.4% | 273.3% |
| **Net profit** | 100% | 24,047 | 17,245 | 39.4% | 20,143 | 17,117 | 3,025 | 17.7% | 5,957 | 15.6% | (15.6%) |
| Megaworld | 66% | 13,502 | 9,686 | 39.4% | 13,312 | 9,495 | 3,817 | 40.2% | 4,621 | 61.0% | 10.2% |
| Emperador | 37% | 6,933 | 7,273 | (4.7%) | 7,360 | 7,711 | (351) | (4.6%) | 2,263 | (1.2%) | (16.5%) |
| Travellers | 4% | 770 | (238) | 423.6% | 812 | (209) | 1,021 | 488.2% | (21) | 91.1% | (104.3%) |
| Golden Arches | 8% | 1,468 | 1,010 | 45.3% | 1,532 | 1,102 | 429 | 38.9% | 521 | 86.2% | (9.1%) |
| Others | -14% | 1,374 | (487) | 382.3% | (2,873) | (982) | (1,890) | (192.4%) | (1,427) | (2466%) | (58.6%) |
| **Net profit to owners** | 100% | 22,422 | 15,880 | 41.2% | 12,934 | 11,918 | 1,016 | 8.5% | 3,688 | 0.2% | (19.2%) |
| Megaworld | 67% | 12,021 | 8,395 | 43.2% | 8,618 | 5,865 | 2,753 | 46.9% | 3,059 | 72.6% | 13.7% |
| Emperador | 46% | 6,784 | 7,185 | (5.6%) | 5,903 | 6,553 | (651) | (9.9%) | 1,805 | (7.0%) | (17.3%) |
| Travellers[a] | 4% | 773 | (235) | 429.0% | 503 | (111) | 614 | 552.3% | (13) | 90.0% | 104.3% |
| Golden Arches | 6% | 1,470 | 1,022 | 43.9% | 784 | 593 | 191 | 32.2% | 265 | 71.0% | (9.4%) |
| Others | -22% | 1,374 | (487) | 382.3% | (2,874) | (983) | (1,891) | (192.5%) | (1,428) | (2456%) | (58.6%) |
| *Note: Numbers may not add up due to rounding off. "**Pre-conso**" refers to numbers at subsidiary level, yet, may slightly differ due to reclassifications for alignment made at consolidation level. "**Conso**" represents numbers from external customers i.e. after elimination/consolidation adjustments..* | | | | | | | | | | | |

easement of mobility restrictions and resumption of travel. The Philippine state of calamity ended on December 31, 2022 and the Philippine state of public health emergency was lifted on July 22, 2023 throughout the country. On May 5, 2023, WHO declared that COVID-19 pandemic is no longer a global health emergency, yet warning that the danger of the pandemic remains.

[3] The Philippine inflation rates peaked to 8.7% in January 2023 but continued to slow down in following months to 4.7% in July, and moved up in next two months to 6.1% in September, for a 9month average of 6.57% which was higher than 5.11% of same period last year.

[4] BSP's overnight reverse repurchase interest rate was at 2.0% in Q1 2022, escalating to 4.25% by September 2022 and reached 6.25% since March 2023 from 5.5% at start of 2023 [raised to 6.5% by October 27, 2023]. SONIA rates ranged 0.1947% to 2.1901% in M9 2022 and 3.4267% to 5.1867% in M9 2023; EURIBOR rates ranged 1.838% to 3.895% in M9 2023 from negative in M9 2022.


Revenues and Income
(External Customers)
150,423
128,383
127,009
110,051
91,781
47,682
48,335
42,281
34,334
37,929
47,037
33,692
42,102
36,600
32,380
23,209
23,926
30,929
14,340
18,176
21,196
23,423
18,351
8,645
15,559
2019
2020
2021
2022
2023
AGI Conso
MEG
EMI
Travellers
GADC


Net Profit
(Segments at Pre-Conso)
21,568
22,136
24,047
17,245
14,895
13,685
13,502
9,686
8,113
8,615
5,304
7,362
7,273
6,933
5,882
1,165
177
1,010
1,468
783
(975)
2,141
(238)
770
(5,442)
2019
2020
2021
2022
2023
AGI Conso
MEG
EMI
Travellers
GADC

*By business segments, as represented by the major subsidiary groups [based on pre-conso results]:*

**Megaworld**, the county's pioneer township developer, continued its strong performance with reported Q3 revenues and income of P16.6 billion, NP of P4.7 billion and NPO of P4.1 billion, respectively climbing 10%, 58% and 65% YoY. It ended M9 with revenues and income of P48.6 billion, NP of P13.5 billion and NPO of P12.0 billion, respectively rising 14%, 39% and 43 % YoY, which were accredited largely to the double-digit growths in all of its revenue streams driven by the improved economic and business environment. Costs and expenses expanded 6% YoY, mainly due to accelerated activities across all business segments. The group's GPR remained comparatively stable at 48% while NPR and NPOR improved to 28% and 25%, respectively, as compared to 23% and 20% a year ago.

Real estate sales, which comprised 60% of Megaworld's revenue streams this M9, grew 11% YoY to P29.0 billion, attributable to higher project completion rates as construction activities continued to pick up during the period. The current brand mix for Megaworld-GERI-Empire East-Suntrust/SLI was 65%-16%-10%-9%. About 63% of sales were from Metro Manila projects, 16% Cavite-Laguna-Batangas-Rizal, and 16% Visayas. Reservation sales in M9 surged 28% YoY to P109.5 billion which accounted for 84% of Megaworld's year-end reservation sales target of P130 billion, driven mainly by its attractive projects catering to the mid- to high-end segments of the residential markets.

Rental income, which comprised 27% of Megaworld's revenues, increased 17% YoY to P13.3billion mainly from stable office leases and continued recovery of mall rentals. *Megaworld Premier Offices* rentals grew 3% YoY to P9.4 billion, registering 89% occupancy in M9 as compared to 92% during the same period in 2022, yet above the industry occupancy rate level. *Megaworld Lifestyle Malls* rentals soared 70% YoY to P3.9 billion, mainly driven by higher occupancy (92% this year vs 90% a year ago) and rentals as it started to remove rent concessions this year.

*Megaworld Hotels & Resorts* continued its recovery momentum as hotel revenues took a 51% leap YoY to P2.6 billion, benefitting from the resurgence in local tourism and resumption of MICE activities. Hotels in Metro Manila attained 66% occupancy versus 64% a year ago.

These operating results brought in 32%, 66% and 67% to AGI's consolidated revenues and income, NP and NPO, respectively.

**Emperador**, the world's largest brandy company and owner of the world's 5$^{th}$ largest Scotch whisky producer in the world by capacity, reported M9 revenues and income rising 10% YoY to P47.1 billion, boosted by the continuing stellar performance of its international business owing to sustained sales of its single-malt Scotch Whisky worldwide. In Q3, revenues and income rose 10% YoY to P16.0 billion that was 3% ahead quarter-on-quarter ("QoQ"). The easing/removal of mobility restrictions from the COVID-19 pandemic and the resumption of travel helped drive economic activities and the Group's business during the current interim period, amid high inflation and interest rates. The Group achieved an improved GPR of 35% in M9 and 36% in Q3 as compared to 32% and 31% in the same periods of a year ago, respectively. The Group picked up on its advertising and promotional spending and physical meetings that increased operating expenses. Nevertheless, NP and NPO remained stable at P6.9 billion and P6.8 billion, respectively for M9 to P6.9 billion and P6.8 billion levels, respectively, as compared to normalized results of a year ago. Noteworthy is the 7% and 5% YoY growth in Q3's NP and NPO, respectively. The Group continues to pursue its strategic long-term CPI strategy – Contemporize our offering, Premiumize our portfolio and Internationalize our business..

The *Brandy segment* grew its M9 external revenues and income 4% YoY to P27.8billion from its global operations in Philippines, Spain and Mexico. GP expanded 11% YoY to P7.7billion, resulting in GPR of 28%, accelerating from 26% a year ago, in spite of inflationary headwinds. With increased promotional activities and higher interest rates (EURIBOR driven), both NP and

NPO were registered at P3.0 billion and P2.8 billion, respectively, approximately P0.9 billion behind last year. Reinvigorating efforts are in place to ensure long-term growth.

The *Scotch Whisky segment* grew its M9 external revenues and income 22% YoY to P19.2billion, driven by the single malt products which remained to be 62% of segment's sales and continued to rank among the fastest growing single malts worldwide. Scotch Whisky products sold strongly in UK, Asia Pacific, Europe and North America, and global travel retail opened up. Supply chain challenges continued to affect this segment's markets, yet demand remains high. GP expanded 40% YoY to P8.6 billion, resulting in GPR rising to 44% from 41% a year ago, boosted by high-margin single malts. There were increases in promotional spending and return-to-office related expenses, yet NP (equivalent to its NPO) jumped 16% YoY to P3.9 billion for NPR of 20%.

Emperador group contributed 31% to AGI's consolidated revenues and income, 37% to consolidated NP, and 46% to consolidated NPO.

**Travellers,** the owner and operator of Newport World Resorts ("NWR"), an integrated leisure and tourism resort in Pasay City, reported M9 core revenues surging 21% YoY to record-high P23.3billion, exceeding same period in pre-pandemic 2019, as sequential quarterly growth continued in Q3 with core revenues soaring 37% YoY. This helped attain the pre-pandemic level NP of P0.8 billion, in itself a hefty P1.0 billion leap from P0.2 billion net loss a year ago. Both gaming and non-gaming segments delivered double-digit growths of 19% and 29%, respectively, while direct costs swelled 21% YoY, resulting in GPR of 43% as compared to 42% a year ago. Current operations required higher general and administrative expenses and higher interest costs from a year ago, resulting in NPR of 3%.

Gross gaming revenues climbed 12% YoY while promotional allowance depleted 4% YoY, resulting in net gaming revenues growth of 19% YoY to P18.3 billion at end of the period. The period showed higher drops in the mass segment as it surpassed pre-pandemic 2019 levels.

Non-gaming core revenues (from hotels, food, beverage and other operating income) escalated 29% YoY to P5.0 billion, following the increase in number of mall goers, hotel occupancy, corporate events and MICE activities. Hotel occupancy rates of the 5 hotels in NWR ranged 74% to 86% (54% to 79% a year ago), and the hotel in Iloilo registered an occupancy rate of 30% (29% a year ago).

Travellers group accounted for 16%, 4% and 4% of AGI's consolidated revenues and income, consolidated NP and consolidated NPO, respectively.

**GADC**, the master franchise holder of McDonald's in the Philippines and a strategic partnership with the George Yang group, continued its strong recovery momentum as its core revenues soared 28% YoY in M9 to hit P30.7 billion while its Q3 core revenues surged 23% YoY. Cost of sales also grew 28% YoY in M9, due to inflationary pressures; nevertheless, GPR stood at 23% for both periods. The group managed to increase NP and NPO by 45% and 44% YoY, respectively, to P1.5 billion level in both years, keeping NPR/NPOR stable at 5% in M9 2023, an improvement from 4% of a year ago. Meanwhile, NP/NPO in Q3 doubled YoY.

Systemwide store sales for M9 rose 26% YoY, propelled by front-counter channels shooting up 43% with dine-in sales climbing 58% YoY. Same-store sales expanded 19% YoY in M9 and 15% in Q3, the highest amount delivered among the three quarters of the year. McDonald's continued to exceed its sales targets, surpassing previous year's performance mainly attributable to its creative product offerings and promotions. The launch of 'McDonald's Best-ever Burgers', a 3-month long campaign, showcased hotter, tastier and juicier burgers and pairing with the highly anticipated 'Twister Fries'. McDonald's also launched McCafe limited time offers and sustained its initiatives with its 'McSavers Mix and Match' and promotional deals and discounts through the

McDonald's App. The Kiddie Crew program, a summer workshop for kids, also returned. During the past nine months of the year, the group opened a total of 14 new stores (12 in Luzon, 2 in Mindanao) and closed 13 stores (12 in Luzon, 1 in Mindanao), bringing total store count to 705 at end-September from 704 stores at the beginning of the year (and 682 a year ago). Stores were concentrated 82% in Luzon, including Metro Manila.

These operating results translated into 21% contribution to consolidated revenues and income, 8% to consolidated net profit and 6% to net profit to owners of AGI.

*By profit and loss accounts:*

The preceding discussions are reflected in the consolidated profit and loss accounts, as shown below:

| In Million Pesos | M9 2023 | M9 2022 | YoY | % |
|---|---|---|---|---|
| REVENUES AND INCOME | | | | |
| Sale of goods | 75,837 | 68,075 | 7,762 | 11.4% |
| Consumer goods | 46,787 | 41,888 | 4,899 | 11.7% |
| Revenue from real estate (RE) sales | 29,050 | 26,187 | 2,863 | 10.9% |
| Rendering of services | 70,362 | 55,849 | 14,513 | 26.0% |
| Gaming | 25,940 | 22,732 | 3,208 | 14.1% |
| Less: Promotional allowance | (7,618) | (7,950) | 333 | (4.2%) |
| Net Gaming | 18,322 | 14,781 | 3,541 | 24.0% |
| Sales by company-operated quick-service restaurants | 27,959 | 21,735 | 6,224 | 28.6% |
| Franchise revenues | 2,762 | 2,214 | 549 | 24.8% |
| Rental Income | 13,575 | 12,172 | 1,402 | 11.5% |
| Others | 7,744 | 4,947 | 2,797 | 56.5% |
| Hotel operations | 6,527 | 4,473 | 2,054 | 45.9% |
| Other services | 1,216 | 474 | 743 | 156.7% |
| Share in net profit of associates and joint ventures | 19 | - | 19 | n/m |
| Finance and other income | 4,205 | 4,459 | (253) | (5.7%) |
| TOTAL | 150,423 | 128,383 | 22,040 | 17.2% |
| COST AND EXPENSES | | | | |
| Cost of goods sold | 45,126 | 41,905 | 3,221 | 7.7% |
| Consumer goods sold | 30,297 | 28,569 | 1,727 | 6.0% |
| RE sales | 14,830 | 13,336 | 1,494 | 11.2% |
| Cost of services | 38,354 | 29,993 | 8,361 | 27.9% |
| Gaming | 8,222 | 6,832 | 1,390 | 20.3% |
| Services | 30,133 | 23,161 | 6,971 | 30.1% |
| Other operating expenses | 31,812 | 25,975 | 5,837 | 22.5% |
| Selling and marketing | 11,728 | 8,503 | 3,224 | 37.9% |
| General and administrative | 20,084 | 17,471 | 2,613 | 15.0% |
| Share in net losses of associates and joint ventures | - | 145 | (145) | (100.0%) |
| Finance cost and other charges | 10,395 | 9,345 | 1,050 | 11.2% |
| TOTAL | 125,687 | 107,364 | 18,323 | 17.1% |
| TAX EXPENSE | 4,593 | 3,902 | 691 | 17.7% |
| NET PROFIT | 20,143 | 17,117 | 3,025 | 17.7% |
| NET PROFIT TO OWNERS | 12,934 | 11,918 | 1,016 | 8.5% |

*Note: Numbers may not add up due to rounding off. Percentages are taken based on full numbers, not from the presented rounded amounts.*

**Revenues and income**, as a result of the foregoing discussions, increased 17% YoY (+P22.0 billion) to P150.4 billion as compared to P128.4 billion a year ago. ***Sale of goods*** (real estate, alcoholic beverages and snack products) escalated 11% YoY (+P7.8 billion) to P75.8 billion as real estate sales jumped 11% YoY (+P2.9 billion) to P29.0 billion and sales of consumer goods climbed 12% YoY (+P4.9 billion) to P46.8 billion. ***Service revenues*** (gaming, hotels, quick-service restaurants, cinemas and theaters, leasing, hotels and other related services) ballooned 26% YoY (+P14.5 billion) to P70.4 billion as all sources registered double-digit growths. Net gaming revenues, sales of quick-service restaurants, franchise revenues, rental revenues and hotel operations climbed 24% (+P3.5 billion), 29% (+P6.2 billion), 25% (+P0.5 billion), 12% (+P1.4 billion) and 46% (+P2.0 billion), respectively. ***Share in net profit of associates and joint ventures*** which is attributable an associate of Megaworld and Emperador's joint venture, turned around from loss last year to profit this year. ***Finance and other income*** decelerated 6% YoY (-P0.2 billion) to P4.2 billion, mainly due to higher other income earned a year ago.

**Costs and expenses** increased 17% YoY (+P18.3 billion) to P125.7 billion. ***Cost of goods sold*** and ***cost of services*** increased 8% YoY (+P3.2 billion) and 28% YoY (+P8.4 billion), respectively, due to increases in sales/services and rising costs. ***Other operating expenses*** went up 22% YoY (+P5.8 billion) to P31.8 billion due to resumption of business activities and promotions. ***Finance and other charges*** jumped 11% YoY (+P1.0 billion) to P10.4 billion due mainly to higher interest expense during the period attributable to loans drawn during the interim and high interest rates.

**Tax expense** increased 18% YoY (+P0.7 billion) to P4.6 billion primarily due to higher taxable income of the Group during the period.

**Earnings before interest, taxes, depreciation and amortizations** ("EBITDA") (computed as net profit before income taxes, interest expense, depreciation and amortizations) increased 18% YoY (+P6.4 billion) to P42.1 billion from P35.7 billion a year ago, exhibiting 28% EBITDA rates for both comparable periods.

As a result of the foregoing, **NP** increased 18% YoY (+P3.0 billion) to P20.1 billion from P17.1billion a year ago and **NPO** expanded 8% YoY (+P1.0 billion) to P12.9 billion.

## Financial Condition

**Consolidated total assets** amounted to P764.8 billion at end of the interim period from P748.0 billion at beginning of year, a 2% growth (+P16.8 billion) during the first nine months of the year. The Group is liquid with **current assets** exceeding **current liabilities** 2.4 times both at the end and beginning of the interim period. Current assets amounted to P375.8 billion while current liabilities amounted to P158.5 billion at end of the interim period.

**Cash and cash equivalents** were depleted by 18% (-P14.2 billion) during the interim, ending at P65.8 billion from P79.9 billion at the start of the year, primarily due to uses in financing activities (net payments of loans, interest, dividends, treasury shares, lease) and investing activities (capital expenditures, advances) outpacing cash provided by operating activities. Net cash provided by operations and used in financing and investing activities during the period were presented in the interim consolidated statements of cash flows.

In summary, the **accounts with at least +/- 5% changes** from year-end were as follows.

**Current trade and other receivables** decreased 7% (-P5.2 billion) primarily due to collection of trade receivables and application of advances to suppliers while **non-current trade and other receivables** increased 14% (+P3.0 billion) from real estate sales and rentals during the period.

**Contract assets,** which represent the reclassified portion of trade and other receivables relating to rights to payment which are conditioned upon the completion of units sold and represent excess of progress of work over the right to an amount of consideration, increased 22% (+P2.9 billion) for **currently** maturing assets while the **non-currently** maturing assets also increased 35%

(+P2.1 billion).

**Inventories** increased 8% (+P13.6 billion) mainly from real estate related accounts as construction activities pumped up completion, and from continuous laying down of liquids holding for future sales and producing ahead to fulfill customer orders without any disruption through the supply chain.

**Other current assets** increased 17% (+P3.3 billion) mainly from increase in deferred commission, deferred input vat and other prepayments, generally due to timing of payments.

**Financial assets at fair value through other comprehensive income** shot up 34% (+P0.1 billion) mainly from marked-to-market valuations.

**Trade and other payables** shrank 10% (-P8.7 billion) due to timing of purchases for production and operations and accruals of expenses.

**Current interest-bearing loans** increased 37% (+P12.1 billion) and **non-current interest-bearing loans** also increased 3% (+P3.8 billion), for a total increase of P15.9 billion, from new loans, drawdowns and refinancing partly reduced by principal payments during the period.

**Current bonds payable** sank 14% (-P2.0 billion) and **non-current bonds payable** also sank by 37% (-P11.6 billion), for a total decrease of 30% (-P13.7 billion), mainly due to maturity payments. These bonds are all issued by Megaworld.

**Current lease liabilities** decreased 14% (-P0.2 billion) to P1.2 billion and **non-current lease liabilities** decreased 2% (-P0.3 billion) to P16.1 billion mainly due to rental payments.

**Contract liabilities** represent MEG's excess of collection over the progress of work with **current** portion decreasing 35% (-P1.2 billion) and **non-current portion** increasing 22% (+P1.1billion) during the interim period.

**Income tax payable** decreased 27% (-P0.6 billion) to P1.7 billion following payments of annual income tax which fell due during the second quarter.

**Advances from other related parties** fell 40% (-P0.6 billion) to P1.0 billion from payments of Megaworld accounts.

**Other current liabilities** increased 7% (+P1.2 billion) mainly from Megaworld's customers' deposits not yet qualified for sales recognition.

**Retirement benefit obligations** declined 24% (-P0.2 billion) to P0.6 billion from changes in assumptions and benefit payments in retirement plans of Travellers, GADC, Megaworld and Emperador.

**Deferred tax liabilities** increased 8% (+P1.5 billion) to P20.8 billion due to movements in timing differences.

**Other non-current liabilities** went up 6% (+P0.8 billion) to P14.0 billion due to increases in deferred rent and retention payable.

The **changes in equity components** are presented in detail in the interim consolidated statements of changes in equity. The changes were mainly from net profit during the period, acquisition of treasury shares and change in percentage of beneficial ownership.

## Liquidity and Capital Resources

The consolidated statements of financial position showed strong liquidity with current assets exceeding current liabilities 2.4times at the beginning and end of interim period. Likewise, the interim period opened and closed with total-liabilities-to-equity ratio of 1.0 : 1.0 and interest-bearing-debt-to-equity ratio of 0.6 : 1.0. Assets exceeded liabilities 2.0times, and equity 2.0times at the beginning and end of the interim period.

In general, working capital and investing expenditures during the period were sourced internally from operations and externally through bank loans. The Group may also from time to time seek other sources of funding, if necessary, depending on its financing needs and market conditions.

| Amounts in Million Pesos | September 2023 | June 2023 | March 2023 | December 2022 | December 2021 |
|---|---|---|---|---|---|
| Cash and cash equivalents | 65,768 | 68,154 | 77,087 | 79,929 | 82,278 |
| FVTPL/ FVOCI financial assets | 15,622 | 15,458 | 15,415 | 15,305 | 13,934 |
| Total Available | 81,391 | 83,612 | 92,502 | 95,235 | 96,212 |
| Interest-bearing debt- current | 44,609 | 38,319 | 35,466 | 32,504 | 80,304 |
| Interest-bearing debt noncurrent | 140,116 | 143,261 | 134,978 | 136,288 | 93,109 |
| Bonds payable- current | 11,996 | 11,994 | 25,599 | 14,026 | - |
| Bonds payable- noncurrent | 19,574 | 19,004 | 18,664 | 31,213 | 41,982 |
| Total Debt | 216,295 | 212,578 | 214,706 | 214,031 | 215,395 |
| Net cash (debt) | (134,904) | (128,967) | (122,204) | (118,796) | (119,183) |
| Total Available to debt rate | 37.63% | 39.33% | 43.08% | 44.50% | 44.67% |
| Total debt to total equity rate | 55.78% | 56.13% | 57.49% | 58.48% | 64.25% |
| Net debt to total equity rate | 34.79% | 34.06% | 32.72% | 32.46% | 35.55% |

## Prospects for the future

The Group remains optimistic in its prospects ahead as it anchors its growth on the Group's strong brands, attractive product offerings, creative marketing strategies, extensive distribution network, and overall financial strength. It is mindful of the current challenges in global and domestic economies.

The Group, with its diversified businesses, has a proven record of creating value over time and is confident in its ability to deliver sustainable profitable growth and value for its stakeholders, backed by its overall agility and versatility.

## Others

There were no known material events subsequent to the end of the interim period that would have a material impact in the interim period.

There are no other known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. The Company does not have nor anticipate having any cash flow or liquidity problems within the year. AGI and its subsidiaries are not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Company, including any default or acceleration of an obligation.

There are no other material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are also no known events that will cause material change in the relationship between costs and revenues.

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

There were no other material issuances, repurchases or repayments of debt and equity securities.

The business has no seasonal aspects that had a material effect on the financial condition and results of operations of the Group.

***SIGNATURE***

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

**Alliance Global Group, Inc.**
*Issuer*

By:

DINA D.R. INTING
*Chief Financial Officer/*
*Corporate Information Officer/*
*(As Principal Financial/Accounting Officer)*
November 14, 2023

**Alliance Global Group, Inc. and Subsidiaries**
**7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark**
**188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City**

**Schedule of Financial Soundness Indicators**
**Annex 68-E**
**As of September 30, 2023**

| Ratio | Formula | 9/30/2023 | 12/31/2022 |
|---|---|---|---|
| Current ratio | Current assets / Current liabilities | 2.37 | 2.37 |
| Acid test ratio | Quick assets / Current liabilities (Quick assets include cash and cash equivalents, trade and other receivables and financial assets at fair value through profit or loss) | 0.97 | 1.09 |
| Solvency ratio | EBITDA / Total debt (Total debt includes interest bearing loans and borrowings and bonds payable ) | 0.19 | 0.24 |
| Debt-to-equity ratio | Total debt / Total stockholders' equity (Total debt includes interest bearing loans and bonds payable) | 0.56 | 0.58 |
| Asset-to-equity ratio | Total assets / Total stockholders' equity | 1.97 | 2.04 |
| | | **9/30/2023** | 9/30/2022 |
| Interest rate coverage ratio | EBIT / Total Interest | 3.77 | 4.36 |
| Return on investment | Net profit / Total stockholders' equity | 0.05 | 0.05 |
| Return on investment of equity owners | Net profit attributable to owners of the Parent Company/ equity attributable to the owners of the Parent Company | 0.05 | 0.05 |
| Return on assets | Net profit/ Total assets | 0.03 | 0.02 |
| Net profit margin | Net profit / Total revenues | 0.13 | 0.13 |

**ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**SEPTEMBER 30, 2023 AND DECEMBER 31, 2022**
***(Amounts in Philippine Pesos)***

| | | September 30, 2023 (UNAUDITED) | | December 31, 2022 (AUDITED) |
|---|---|---|---|---|
| **A S S E T S** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | **P** | **65,768,461,254** | P | 79,929,420,988 |
| Trade and other receivables - net | | **73,136,009,236** | | 78,381,241,085 |
| Contract assets | | **16,547,926,283** | | 13,613,227,726 |
| Financial assets at fair value through profit or loss | | **15,161,291,180** | | 14,962,280,499 |
| Inventories - net | | **181,768,274,474** | | 168,184,703,157 |
| Other current assets | | **22,427,230,055** | | 19,150,406,701 |
| | **P** | **374,809,192,482** | | 374,221,280,156 |
| Non-current assets classified as held for sale | | **994,903,989** | | 961,744,740 |
| Total Current Assets | | **375,804,096,471** | | 375,183,024,896 |
| **NON-CURRENT ASSETS** | | | | |
| Trade and other receivables - net | | **25,062,067,888** | | 22,030,887,658 |
| Contract assets | | **8,113,598,097** | | 6,006,696,047 |
| Advances to landowners and joint operators | | **7,920,759,024** | | 7,896,413,808 |
| Financial assets at fair value through other comprehensive income | | **461,165,362** | | 342,843,851 |
| Investments in associates and joint ventures | | **6,573,676,933** | | 6,441,645,845 |
| Property, plant and equipment - net | | **152,426,235,287** | | 148,458,368,969 |
| Investment properties - net | | **135,211,481,983** | | 129,355,913,097 |
| Intangible assets - net | | **41,808,194,806** | | 40,665,090,713 |
| Deferred tax assets - net | | **4,924,496,935** | | 5,062,963,643 |
| Other non-current assets | | **6,539,269,245** | | 6,576,302,090 |
| Total Non-current Assets | | **389,040,945,560** | | 372,837,125,721 |
| **TOTAL ASSETS** | **P** | **764,845,042,031** | P | 748,020,150,617 |

| | | September 30, 2023 (UNAUDITED) | | December 31, 2022 (AUDITED) |
|---|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Trade and other payables | **P** | **75,923,784,432** | P | 84,620,688,818 |
| Interest-bearing loans | | **44,608,773,836** | | 32,504,240,444 |
| Bonds payable | | **11,995,985,092** | | 14,026,453,110 |
| Lease liabilities | | **1,176,652,799** | | 1,361,900,995 |
| Contract liabilities | | **2,215,711,114** | | 3,392,947,567 |
| Income tax payable | | **1,672,389,259** | | 2,299,470,084 |
| Advances from other related parties | | **975,637,194** | | 1,627,756,528 |
| Other current liabilities | | **19,926,000,860** | | 18,689,682,065 |
| Total Current Liabilities | | **158,494,934,586** | | 158,523,139,611 |
| **NON-CURRENT LIABILITIES** | | | | |
| Interest-bearing loans | | **140,115,936,050** | | 136,287,705,784 |
| Bonds payable | | **19,574,486,867** | | 31,212,622,400 |
| Lease liabilities | | **16,102,167,926** | | 16,405,976,571 |
| Contract liabilities | | **5,921,601,712** | | 4,853,473,963 |
| Retirement benefit obligation | | **576,987,050** | | 754,923,733 |
| Redeemable preferred shares | | **1,574,159,348** | | 1,537,091,539 |
| Deferred tax liabilities - net | | **20,791,225,171** | | 19,323,313,874 |
| Other non-current liabilities | | **13,957,546,551** | | 13,153,790,806 |
| Total Non-current Liabilities | | **218,614,110,675** | | 223,528,898,670 |
| Total Liabilities | | **377,109,045,261** | | 382,052,038,281 |
| **EQUITY** | | | | |
| Equity attributable to owners of the parent company | | **255,558,154,616** | | 232,732,073,072 |
| Non-controlling interest | | **132,177,842,154** | | 133,236,039,264 |
| Total Equity | | **387,735,996,770** | | 365,968,112,336 |
| **TOTAL LIABILITIES AND EQUITY** | **P** | **764,845,042,031** | P | 748,020,150,617 |

***See Notes to Interim Consolidated Financial Statements.***

**ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**
***(Amounts in Philippine Pesos)***
***(UNAUDITED)***

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | **Year-to-Date** | **Quarter** | Year-to-Date | Quarter |
| **REVENUES AND INCOME** | | | | |
| Sale of goods | **P 75,836,591,704** | **P 26,115,852,967** | P 68,074,947,639 | P 24,439,527,833 |
| Rendering of services | **70,361,865,352** | **24,268,897,761** | 55,849,134,061 | 19,783,463,232 |
| Share in net profits of associates and joint ventures - net | **18,953,857** | **( 41,903,124 )** | - | - |
| Finance and other income | **4,205,424,115** | **986,628,137** | 4,458,891,993 | 1,596,029,061 |
| | **150,422,835,028** | **51,329,475,741** | 128,382,973,693 | 45,819,020,126 |
| **COSTS AND EXPENSES** | | | | |
| Cost of goods sold | **45,126,008,968** | **15,474,321,636** | 41,905,182,820 | 15,055,219,973 |
| Cost of services | **38,354,417,060** | **13,143,162,744** | 29,993,237,697 | 10,988,734,073 |
| Other operating expenses | **31,811,873,235** | **11,072,947,326** | 25,974,547,714 | 9,407,273,045 |
| Share in net losses of associates and joint ventures - net | **-** | **-** | 145,421,108 | 54,240,780 |
| Finance costs and other charges | **10,394,958,230** | **4,355,628,415** | 9,345,430,552 | 3,898,359,713 |
| | **125,687,257,493** | **44,046,060,121** | 107,363,819,891 | 39,403,827,584 |
| **PROFIT BEFORE TAX** | **24,735,577,535** | **7,283,415,620** | 21,019,153,802 | 6,415,192,542 |
| **TAX EXPENSE** | **4,593,010,291** | **1,326,250,795** | 3,901,986,681 | 1,263,214,833 |
| **NET PROFIT** | **20,142,567,244** | **5,957,164,825** | 17,117,167,121 | 5,151,977,709 |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | | |
| Actuarial gains (losses) on remeasurement of retirement benefit obligation | **221,765,996** | **( 92,938,000 )** | ( 179,091,000 ) | ( 186,327,000 ) |
| Net unrealized fair value gain (loss) on financial assets at fair value through other comprehensive income | **104,281,610** | **27,799,691** | ( 98,626,021 ) | ( 42,683,680 ) |
| Deferred tax income (expense) relating to components of other comprehensive income (loss) | **( 55,441,500 )** | **23,234,500** | 44,772,750 | 46,581,750 |
| | **270,606,106** | **( 41,903,809 )** | ( 232,944,271 ) | ( 182,428,930 ) |
| **Items that will be reclassified subsequently to profit or loss** | | | | |
| Translation adjustments | **1,818,829,708** | **464,591,492** | ( 1,590,219,378 ) | ( 571,760,452 ) |
| Net unrealized fair value gain (loss) on cash flow hedge | **( 34,130,258 )** | **( 16,101,009 )** | 172,975,949 | 101,016,570 |
| Deferred tax income (expense) relating to components of other comprehensive income (loss) | **( 6,519,226 )** | **( 10,841,131 )** | ( 32,770,861 ) | ( 14,754,484 ) |
| | **1,778,180,224** | **437,649,352** | ( 1,450,014,290 ) | ( 485,498,366 ) |
| **TOTAL COMPREHENSIVE INCOME** | **P 22,191,353,574** | **P 6,352,910,368** | P 15,434,208,560 | P 4,484,050,413 |
| **Net profit attributable to:** | | | | |
| Owners of the parent company | **P 12,934,102,277** | **P 3,688,496,947** | P 11,917,965,135 | P 3,682,288,045 |
| Non-controlling interest | **7,208,464,967** | **2,268,667,878** | 5,199,201,986 | 1,469,689,664 |
| | **P 20,142,567,244** | **P 5,957,164,825** | P 17,117,167,121 | P 5,151,977,709 |
| **Total comprehensive income attributable to:** | | | | |
| Owners of the parent company | **P 14,369,804,928** | **P 3,993,722,903** | P 10,180,443,044 | P 2,804,774,802 |
| Non-controlling interest | **7,821,548,646** | **2,359,187,465** | 5,253,765,516 | 1,679,275,611 |
| | **P 22,191,353,574** | **P 6,352,910,368** | P 15,434,208,560 | P 4,484,050,413 |
| **Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company:** | | | | |
| **Basic and Diluted** | **P 1.4562** | **P 0.4153** | P 1.2847 | P 0.3969 |
| **Diluted** | **P 1.4562** | **P 0.4153** | P 1.2847 | P 0.3969 |

***See Notes to Interim Consolidated Financial Statements.***

**ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**
***(Amounts in Philippine Pesos)***
***(UNAUDITED)***

| | Attributable to Owners of the Parent Company | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Retained Earnings | | | | | |
| | Capital Stock | Additional Paid-in Capital | Treasury Shares – at Cost | Net Actuarial Losses on Retirement Benefit Plan | Net Fair Value Gains on Financial Assets at FVOCI | Accumulated Translation Adjustments | Revaluation Reserves on Cash Flow Hedge | Share Options | Other Reserves | Appropriated | Unappropriated | Total | Total | Noncontrolling Interest | Total Equity |
| Balance at January 1, 2023 | P 10,269,827,979 | P 34,518,916,029 | (P 14,411,741,336) | P 193,960,665 | P 159,403,187 | (P 6,250,765,182) | P 28,819,212 | P 620,625,162 | P 33,446,366,213 | P 4,764,840,000 | P 169,391,821,143 | P 174,156,661,143 | P 232,732,073,072 | P 133,236,039,264 | P 365,968,112,336 |
| Transactions with owners: | | | | | | | | | | | | | | | |
| Change in percentage of ownership | - | - | - | - | - | - | - | - | 8,976,062,476 | - | - | - | 8,976,062,476 | (6,794,841,691) | 2,181,220,785 |
| Subscription receivable | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Acquisition of treasury shares | - | - | (1,117,609,025) | - | - | - | - | - | - | - | - | - | (1,117,609,025) | - | (1,117,609,025) |
| Deposit on future stock subscription | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividend paid by investee | - | - | - | - | - | - | - | - | - | - | - | - | - | (2,088,008,733) | (2,088,008,733) |
| Redemption of perpetual securities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash dividends declared | - | - | - | - | - | - | - | - | - | - | (18,989,171) | (18,989,171) | (18,989,171) | - | (18,989,171) |
| Acquisition and incorporation of new subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share-based compensation | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,104,668 | 3,104,668 |
| Recycling due to disposal and dilution | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reclassification adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Appropriation | | | | | | | | | | | | - | - | | |
| Reversal | | | | | | | | | | | | - | - | | |
| Recognition of conversion options | - | - | - | - | - | - | - | - | | - | - | - | - | - | - |
| Repayment of perpetual capital securities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Redemption of preferred shares | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Distribution to holders of perpetual securities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | (1,117,609,025) | - | - | - | - | - | 8,976,062,476 | - | (18,989,171) | (18,989,171) | 7,839,464,280 | (8,879,745,756) | (1,040,281,476) |
| Disposal of financial asset at fair value through other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Unexercised share options reclassified to additional paid-in capital | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in legal reserves during the period | - | - | - | - | - | - | - | - | 674,176,193 | - | (57,363,857) | (57,363,857) | 616,812,336 | - | 616,812,336 |
| Change in ownership on subsidiary | - | - | - | - | - | - | - | - | - | | | | - | | - |
| Appropriation of retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of appropriation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income (loss) | - | - | - | 134,256,692 | 9,676,644 | 1,316,124,667 | (24,355,352) | - | - | - | 12,934,102,277 | 12,934,102,277 | 14,369,804,928 | 7,821,548,646 | 22,191,353,574 |
| Balance at September 30, 2023 | **P 10,269,827,979** | **P 34,518,916,029** | **(P 15,529,350,361)** | **P 328,217,357** | **P 169,079,831** | **(P 4,934,640,515)** | **P 4,463,860** | **P 620,625,162** | **P 43,096,604,882** | **P 4,764,840,000** | **P 182,249,570,392** | **P 187,014,410,392** | **P 255,558,154,616** | **P 132,177,842,154** | **P 387,735,996,770** |
| Balance at January 1, 2022 | P 10,269,827,979 | P 34,518,916,029 | (P 10,516,348,052) | P 85,011,950 | P 72,946,670 | (P 4,036,461,315) | (P 34,608,267) | P 620,625,162 | P 19,778,512,767 | P 4,454,180,000 | P 154,691,094,112 | P 159,145,274,112 | P 209,903,697,035 | P 125,318,941,755 | P 335,222,638,790 |
| Transactions with owners: | | | | | | | | | | | | | | | |
| Change in percentage of ownership | - | - | - | - | - | - | - | - | 1,000,347,825 | - | - | - | 1,000,347,825 | (1,006,416,253) | (6,068,428) |
| Acquisition of treasury shares | - | - | (365,512,361) | - | - | - | - | - | - | - | - | - | (365,512,361) | - | (365,512,361) |
| Dividend paid by investee | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,204,374,849) | (1,204,374,849) |
| Share-based compensation | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,432,695 | 11,432,695 |
| | - | - | (365,512,361) | - | - | - | - | - | 1,000,347,825 | - | - | - | 634,835,464 | (2,199,358,407) | (1,564,522,943) |
| Changes in legal reserves during the period | - | - | - | - | - | - | - | - | (16,950,172) | - | - | - | (16,950,172) | - | (16,950,172) |
| Appropriation of retained earnings | - | - | - | - | - | - | - | - | - | 3,168,340,000 | (3,168,340,000) | - | - | - | - |
| Reversal of appropriation | - | - | - | - | - | - | - | - | - | (3,168,340,000) | 3,168,340,000 | - | - | - | - |
| Total comprehensive income (loss) | - | - | - | (136,423,474) | 200,215,550 | (1,921,964,893) | 120,650,724 | - | - | - | 11,917,965,135 | 11,917,965,135 | 10,180,443,042 | 5,253,765,516 | 15,434,208,558 |
| Balance at September 30, 2022 | P 10,269,827,979 | P 34,518,916,029 | (P 10,881,860,413) | (P 51,411,524) | P 273,162,220 | (P 5,958,426,208) | P 86,042,457 | P 620,625,162 | P 20,761,910,420 | P 4,454,180,000 | P 166,609,059,247 | P 171,063,239,247 | P 220,702,025,369 | P 128,373,348,864 | P 349,075,374,233 |

***See Notes to Interim Consolidated Financial Statements.***

**ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**
***(Amounts in Philippine Pesos)***
***(UNAUDITED)***

| | 2023 | 2022 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit before tax | **P 24,735,577,535** | P 21,019,153,802 |
| Adjustments for: | | |
| Interest expense | **8,922,199,400** | 6,252,073,389 |
| Depreciation and amortization | **8,424,489,125** | 8,398,626,040 |
| Interest income | **( 3,182,230,109 )** | ( 2,030,509,017 ) |
| Unrealized foreign currency loss - net | **281,175,661** | 4,816,909,582 |
| Reversal of impairment losses - net | **( 57,010,273 )** | ( 59,541,178 ) |
| Net loss on disposal of assets | **52,685,077** | 49,563,422 |
| Gain from derecognition of right-of-use assets and lease liabilities | **( 20,912,399 )** | ( 588,179 ) |
| Share in net losses (profits) of associates and joint ventures | **( 18,953,857 )** | 145,421,108 |
| Dividend income | **( 14,050,086 )** | ( 3,737,289 ) |
| Stock option benefit expense | **3,104,668** | 11,432,695 |
| Operating profit before working capital changes | **39,126,074,742** | 38,598,804,375 |
| Decrease (increase) in trade and other receivables | **7,256,116,551** | ( 2,857,052,754 ) |
| Increase in inventories | **( 11,834,024,948 )** | ( 9,804,751,481 ) |
| Decrease (increase) in contract assets | **( 5,041,600,607 )** | 828,519,919 |
| Decrease (increase) in financial assets at fair value through profit or loss | **( 48,116,491 )** | 1,131,946,026 |
| Increase in other current assets | **( 3,792,591,870 )** | ( 2,175,831,554 ) |
| Increase (decrease) in trade and other payables | **( 11,123,910,215 )** | 9,118,697,211 |
| Increase (decrease) in contract liabilities | **( 109,108,704 )** | 1,022,895,097 |
| Decrease in retirement benefit obligation | **( 2,971,939 )** | ( 1,547,502 ) |
| Increase (decrease) in other current liabilities | **1,236,318,795** | ( 3,271,735,675 ) |
| Increase (decrease) in other non-current liabilities | **998,055,745** | ( 636,291,057 ) |
| Cash generated from operations | **16,664,241,059** | 31,953,652,605 |
| Cash paid for taxes | **( 3,325,174,712 )** | ( 2,824,397,174 ) |
| Net Cash From Operating Activities | **13,339,066,347** | 29,129,255,431 |
| *Balance carried forward* | **P 13,339,066,347** | P 29,129,255,431 |

*- 2 -*

| | 2023 | 2022 |
|---|---|---|
| *Balance brought forward* | **P 13,339,066,347** | P 29,129,255,431 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Acquisitions of: | | |
| Property, plant and equipment | **( 9,710,536,359 )** | ( 10,147,272,524 ) |
| Investment properties | **( 6,213,394,331 )** | ( 9,024,601,696 ) |
| Intangible assets | **( 21,994,975 )** | ( 17,180,001 ) |
| Interest received | **1,901,868,607** | 896,296,082 |
| Additional advances granted to associates and other related parties | **( 241,287,342 )** | ( 1,725,792,642 ) |
| Advances to landowners, joint ventures and other related parties-net | **( 24,345,216 )** | ( 514,565,733 ) |
| Proceeds from: | | |
| Disposal of property, plant and equipment | **342,147,501** | 318,024,032 |
| Collections of advances to associates and other related parties | **-** | 71,294,344 |
| Disposal of investment property | **-** | 10,203,954 |
| Cash dividends received | **14,050,086** | 288,737,689 |
| Decrease (increase) in other non-current assets | **128,116,977** | ( 517,845,105 ) |
| Net Cash Used in Investing Activities | **( 13,825,375,052 )** | ( 20,362,701,600 ) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from interest-bearing loans and bonds | **39,106,028,847** | 16,268,649,160 |
| Payment of interest-bearing loans and bonds | **( 36,256,800,634 )** | ( 22,692,792,372 ) |
| Interest paid | **( 10,616,291,318 )** | ( 7,904,182,990 ) |
| Dividends paid | **( 2,106,997,904 )** | ( 1,204,374,849 ) |
| Acquisition of treasury shares | **( 1,117,609,025 )** | ( 365,512,361 ) |
| Payment of lease liabilities | **( 981,910,697 )** | ( 982,780,922 ) |
| Buyback of shares from non-controlling interest | **( 668,595,880 )** | ( 862,127,558 ) |
| Advances paid to related parties | **( 1,543,050,455 )** | ( 1,798,053,993 ) |
| Repayments to related parties | | - |
| Advances collected and received from related parties | **510,576,037** | 372,539,143 |
| Net Cash Used in Financing Activities | **( 13,674,651,029 )** | ( 19,168,636,742 ) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | **( 14,160,959,734 )** | ( 10,402,082,911 ) |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD** | **79,929,420,988** | 82,278,122,850 |
| **CASH AND CASH EQUIVALENTS AT END OF THE PERIOD** | **P 65,768,461,254** | P 71,876,039,939 |

***See Notes to Interim Consolidated Financial Statements.***

**ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES**
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**
***(With Comparative Figures as of December 31, 2022)***
***(Amounts in Philippine Pesos)***
***(Unaudited)***

## 1. CORPORATE INFORMATION

Alliance Global Group, Inc. (the "Company", "Parent Company", or "AGI") was registered with the Philippine Securities and Exchange Commission ("SEC") on October 12, 1993 and listed its shares in the Philippine Stock Exchange ("PSE") on April 19, 1999.

Currently, AGI is one of the leading conglomerates in the Philippines, with interests in real estate property development, food and beverage, tourism-entertainment and gaming, and quick–service restaurant. Its fifth leg, the infrastructure, has not yet started operations. The Company and its subsidiaries, associates and joint ventures (collectively referred to as the "Group") operate a diversified range of businesses that focus on developing products and services that generally cater to their target markets, under the following entities (see Note 4):

| Subsidiaries/Associates/Joint Ventures | Short Name | Notes | Percentage of Effective Ownership of AGI<br>**September 2023** | <br>December 2022 |
|---|---|---|---|---|
| ***Subsidiaries*** | | | | |
| **Megaworld and subsidiaries** | | | | |
| **Megaworld Corporation** | "Megaworld" | (a) | **71%** | 70% |
| Megaworld Resort Estates, Inc. | | (b) | **85%** | 84% |
| Townsquare Development, Inc. | | | **51%** | 51% |
| Golden Panda-ATI Realty Corporation | | | **51%** | 51% |
| Arcovia Properties, Inc. | | | **71%** | 70% |
| Belmont Newport Luxury Hotels, Inc. | | | **71%** | 70% |
| Davao Park District Holdings Inc. | | | **71%** | 70% |
| Eastwood Cyber One Corporation | | | **71%** | 70% |
| Global One Hotel Group, Inc. | | | **71%** | 70% |
| Global One Integrated Business Services, Inc. | | | **71%** | 70% |
| Hotel Lucky Chinatown, Inc. | | | **71%** | 70% |
| Landmark Seaside Properties, Inc. | | | **71%** | 70% |
| Luxury Global Hotels and Leisures, Inc. | | | **71%** | 70% |
| Luxury Global Malls, Inc. | | | **71%** | 70% |
| Mactan Oceanview Properties and Holdings, Inc. | | | **71%** | 70% |
| Megaworld Cayman Islands, Inc. | | (c) | **71%** | 70% |
| Megaworld Cebu Properties, Inc. | | | **71%** | 70% |
| Megaworld Land, Inc. | | | **71%** | 70% |
| Citywalk Building Administration, Inc. | | | **71%** | 70% |
| Forbestown Commercial Center Administration, Inc. | | | **71%** | 70% |
| Iloilo Center Mall Administration, Inc. | | | **71%** | 70% |
| Newtown Commercial Center Administration, Inc. | | | **71%** | 70% |
| Paseo Center Building Administration, Inc. | | | **71%** | 70% |
| San Lorenzo Place Commercial Center Administration, Inc. | | | **71%** | 70% |
| Southwoods Lifestyle Mall Management, Inc. | | | **71%** | 70% |
| Cityfront Commercial Center Administration, Inc. | | | **71%** | 70% |

| Subsidiaries/Associates/Joint Ventures | Short Name | Notes | Percentage of Effective Ownership of AGI September 2023 | December 2022 |
|---|---|---|---|---|
| ***Subsidiaries*** | | | | |
| **Megaworld and subsidiaries** | | | | |
| Uptown Commercial Center Administration, Inc. | | | **71%** | 70% |
| Valley Peaks Property Management, Inc. | | | **71%** | 70% |
| Megaworld Newport Property Holdings, Inc. | | | **71%** | 70% |
| Oceantown Properties, Inc. | | | **71%** | 70% |
| Piedmont Property Ventures, Inc. | | | **71%** | 70% |
| Prestige Hotels and Resorts, Inc. | | | **71%** | 70% |
| Richmonde Hotel Group International Ltd. | | (d) | **71%** | 70% |
| San Vicente Coast, Inc. | | | **71%** | 70% |
| Savoy Hotel Manila, Inc. | | | **71%** | 70% |
| Savoy Hotel Mactan, Inc. | | | **71%** | 70% |
| Kingsford Hotel Manila, Inc. | | | **71%** | 70% |
| Agile Digital Ventures, Inc. | | | **71%** | 70% |
| MREIT Fund Managers, Inc. | "MFMI" | (n) | **71%** | 70% |
| MREIT Property Managers, Inc. | "MPMI" | (n) | **71%** | 70% |
| MREIT, Inc. | "MREIT" | (n) | **41%** | 44% |
| Belmont Hotel Mactan, Inc. | | | **71%** | 70% |
| Stonehaven Land, Inc. | | | **71%** | 70% |
| Streamwood Property, Inc. | | | **71%** | 70% |
| Megaworld Bacolod Properties, Inc. | | | **65%** | 64% |
| Manila Bayshore Property Holdings, Inc. | | | **68%** | 66% |
| Megaworld Capital Town, Inc. | | | **54%** | 53% |
| Megaworld Central Properties, Inc. | | | **55%** | 53% |
| Soho Cafe and Restaurant Group, Inc. | | | **54%** | 52% |
| La Fuerza, Inc. | | | **48%** | 46% |
| Megaworld-Daewoo Corporation | | | **43%** | 42% |
| Northwin Properties, Inc. | | | **43%** | 42% |
| Gilmore Property Marketing Associates Inc. | | | **37%** | 36% |
| Integrated Town Management Corporation | | | **36%** | 35% |
| Maple Grove Land, Inc. | | | **36%** | 35% |
| Megaworld Globus Asia, Inc. | | | **36%** | 35% |
| | | | | |
| **Suntrust Properties, Inc.** | | | **71%** | 70% |
| Governor's Hills Science School, Inc. | | | **71%** | 70% |
| Sunrays Properties Management, Inc. | | | **71%** | 70% |
| Suntrust Ecotown Developers, Inc. | | | **71%** | 70% |
| Suntrust One Shanata, Inc. | | | **71%** | 70% |
| Suntrust Two Shanata, Inc. | | | **71%** | 70% |
| Stateland, Inc. | | | **70%** | 68% |
| | | | | |
| **Global-Estate Resorts, Inc.** | "GERI" | (e) | **59%** | 57% |
| Southwoods Mall Inc. | | | **65%** | 63% |
| Twin Lakes Corp. | | | **65%** | 63% |
| Twin Lakes Hotel, Inc. | | | **65%** | 63% |
| Megaworld Global-Estate, Inc. | | | **64%** | 62% |
| Fil-Estate Golf and Development, Inc. | | | **59%** | 57% |
| Golforce, Inc. | | | **59%** | 57% |
| Southwoods Ecocentrum Corp. | | | **35%** | 34% |
| Philippine Aquatic Leisure Corp. | | | **35%** | 34% |
| Fil-Estate Properties, Inc. | | | **59%** | 57% |
| Aklan Holdings Inc. | | | **59%** | 57% |
| Blu Sky Airways, Inc. | | | **59%** | 57% |
| Fil-Estate Subic Development Corp. | | | **59%** | 57% |
| Fil-Power Concrete Blocks Corp. | | | **59%** | 57% |
| Fil-Power Construction Equipmen Leasing Corp. | | | **59%** | 57% |
| Golden Sun Airways, Inc. | | | **59%** | 57% |
| La Compaña De Sta. Barbara, Inc. | | | **59%** | 57% |
| MCX Corporation | | | **59%** | 57% |
| Pioneer L-5 Realty Corp. | | | **59%** | 57% |
| Prime Airways, Inc. | | | **59%** | 57% |
| Sto. Domingo Place Development Corp. | | | **59%** | 57% |
| Fil-Estate Industrial Park, Inc. | | | **46%** | 45% |
| Sherwood Hills Development Inc. | | | **32%** | 32% |
| Fil-Estate Urban Development Corp. | | | **59%** | 57% |
| Global Homes and Communities, Inc. | | | **59%** | 57% |

| Subsidiaries/Associates/Joint Ventures | Short Name | Notes | Percentage of Effective Ownership of AGI September 2023 | December 2022 |
|---|---|---|---|---|
| ***Subsidiaries*** | | | | |
| **Global-Estate Resorts, Inc.** | | | | |
| Savoy Hotel Boracay, Inc. | | | **59%** | 57% |
| Belmont Hotel Boracay, Inc. | | | **59%** | 57% |
| Novo Sierra Holdings, Corp. | | | **59%** | 57% |
| Elite Communities Property Services, Inc. | | | **59%** | 57% |
| Oceanfront Properties, Inc. | | | **29%** | 29% |
| **Empire East Land Holdings, Inc.** | "EELHI" | | **59%** | 57% |
| Sonoma Premiere Land, Inc. | | (f) | **75%** | 74% |
| Pacific Coast Mega City, Inc. | | (g) | **76%** | 75% |
| Valle Verde Properties, Inc. | | | **58%** | 57% |
| Laguna BelAir School, Inc. | | | **43%** | 42% |
| 20th Century Nylon Shirt, Inc. | | | **58%** | 57% |
| Eastwood Property Holdings, Inc. | | | **58%** | 57% |
| Empire East Communities, Inc. | | | **58%** | 57% |
| Sherman Oak Holdings, Inc. | | | **58%** | 57% |
| **Emperador and subsidiaries** | | | | |
| **Emperador Inc.** | "EMI" or "Emperador" | | **81%** | 81% |
| **Emperador Distillers, Inc.** | "EDI" | | **81%** | 81% |
| Alcazar de Bana Holdings Company, Inc. | | | **81%** | 81% |
| ProGreen AgriCorp, Inc. | | | **81%** | 81% |
| South Point Science Park, Inc. | | | **81%** | 81% |
| Anglo Watsons Glass, Inc. | | | **81%** | 81% |
| Cocos Vodka Distillers Philippines, Inc. | | | **81%** | 81% |
| The Bar Beverage, Inc. | | | **81%** | 81% |
| Tradewind Estates, Inc. | | | **81%** | 81% |
| BoozyLife, Inc. | | | **56%** | 50% |
| Zabana Rum Company, Inc. | | | **81%** | 81% |
| The World's Finest Liquor | "TWFL" | (o) | **81%** | 81% |
| **Emperador International Ltd.** | "EIL" | (d) | **81%** | 81% |
| Emperador Asia Pte Ltd. | "EA" | (h) | **81%** | 81% |
| Grupo Emperador Spain, S.A.U. | "GES" | (h) | **81%** | 81% |
| Bodega San Bruno, S.L. | "BSB" | (h) | **81%** | 81% |
| Bodegas Fundador S.L.U. | "BFS" | (h) | **81%** | 81% |
| Harvey's Cellars S.L.U (formerly Destilados de la Mancha S.L.) | "HCS" | (h) | **81%** | 81% |
| Grupo Emperador Gestion S.L. | "GEG" | | **81%** | 81% |
| Domecq Bodega Las Copas, S.L. | "DBLC" | (g, h) | **40%** | 40% |
| Stillman Spirits, S.L. | "SSSL" | (h) | **81%** | 81% |
| Pedro Domecq S.A. de C.V. | "PDSC" | (g, h) | **40%** | 40% |
| Emperador Europe SARL | "EES" | (h) | **81%** | 81% |
| Emperador Holdings (GB) Limited. | "EGB" | (h) | **81%** | 81% |
| Emperador UK Limited | "EUK" | (h) | **81%** | 81% |
| Whyte and Mackay Group Limited | "WMG" | (h) | **81%** | 81% |
| Whyte and Mackay Global Limited | "WMGL" | (h) | **81%** | 81% |
| Whyte and Mackay Limited | "WML" | (h) | **81%** | 81% |
| Whyte and Mackay Warehousing Ltd. | "WMWL" | (h) | **81%** | 81% |
| **GADC and subsidiaries** | | | | |
| **Golden Arches Development Corporation** | "GADC" | | **49%** | 49% |
| Advance Food Concepts Manufacturing, Inc. | | | **49%** | 49% |
| Golden Arches Realty Corporation | | | **49%** | 49% |
| Red Asian Food Solutions, Inc. | | | **37%** | 37% |
| Clark Mac Enterprises, Inc. | | | **49%** | 49% |
| Golden Laoag Foods Corporation | | | **38%** | 38% |
| Davao City Food Industries, Inc. | | | **37%** | 37% |
| First Golden Laoag Ventures, Inc. | | | **34%** | 34% |
| McDonald's Anonas City Center | | | **34%** | 34% |
| McDonald's Puregold Taguig | | | **29%** | 29% |

| Subsidiaries/Associates/Joint Ventures | Short Name | Notes | Percentage of Effective Ownership of AGI — **September 2023** | December 2022 |
|---|---|---|---|---|
| ***Subsidiaries*** | | | | |
| **Golden Arches Development Corporation** | | | | |
| Golden City Food Industries, Inc. | | | **29%** | 29% |
| McDonald's Bonifacio Global City | | | **27%** | 27% |
| Molino First Golden Foods Inc. | | | **26%** | 26% |
| GY Alliance Concepts, Inc. | | | **19%** | 19% |
| **Travellers and subsidiaries** | | | | |
| **Travellers International Hotel Group, Inc**. | "Travellers" | (i) | **60%** | 60% |
| Agile Fox Amusement and Leisure Corporation | | | **60%** | 60% |
| APEC Assets Limited | | | **60%** | 60% |
| Aquamarine Delphinium Leisure and Recreation, Inc. | | | **60%** | 60% |
| Bright Pelican Leisure and Recreation, Inc. | | | **60%** | 60% |
| Brightleisure Management, Inc. | | | **60%** | 60% |
| Brilliant Apex Hotels and Leisure Corporation | | | **60%** | 60% |
| Coral Primrose Leisure and Recreation Corporation | | | **60%** | 60% |
| Deluxe Hotels and Recreation, Inc. | | | **60%** | 60% |
| Entertainment City Integrated Resorts & Leisure, Inc. | | | **60%** | 60% |
| FHTC Entertainment & Productions, Inc. | "FHTC" | | **60%** | 60% |
| Golden Peak Leisure and Recreation, Inc. | | | **60%** | 60% |
| Grand Integrated Hotels and Recreation, Inc. | | | **60%** | 60% |
| Grandservices, Inc. | | | **60%** | 60% |
| Grandventure Management Services, Inc. | | | **60%** | 60% |
| Lucky Star Hotels and Recreation, Inc. | | | **60%** | 60% |
| Lucky Panther Amusement and Leisure Corporation | | | **60%** | 60% |
| Luminescent Vertex Hotels and Leisure Corporation | | | **60%** | 60% |
| Magenta Centaurus Amusement and Leisure Corporation | | | **60%** | 60% |
| Majestic Sunrise Leisure & Recreation, Inc. | | | **60%** | 60% |
| Netdeals, Inc. | | | **60%** | 60% |
| Newport Star Lifestyle, Inc. | | | **60%** | 60% |
| Royal Bayshore Hotels & Amusement, Inc. | | | **60%** | 60% |
| Sapphire Carnation Leisure and Recreation Corporation | | | **60%** | 60% |
| Scarlet Milky Way Amusement and Leisure Corporation | | | **60%** | 60% |
| Sparkling Summit Hotels and Leisure Corporation | | | **60%** | 60% |
| Valiant Leopard Amusement and Leisure Corporation | | | **60%** | 60% |
| Vermillion Triangulum Amusement and Leisure Corporation | | | **60%** | 60% |
| Westside City, Inc. (formerly Westside City Resorts World, Inc.) | "WCI" | (j) | **59%** | 59% |
| Purple Flamingos Amusement and Leisure Corporation | | | **59%** | 59% |
| Red Falcon Amusement and Leisure Corporation | | | **59%** | 59% |
| Captain View Group Limited | | | **59%** | 59% |
| Westside Theatre Inc. | | | **60%** | 60% |
| **Corporate and Others** | | | | |
| Alliance Global Brands, Inc. | | | **100%** | 100% |
| McKester Pik-nik International Limited | "MPIL" | (d) | **100%** | 100% |
| Great American Foods, Inc. | | (k) | **100%** | 100% |

| Subsidiaries/Associates/Joint Ventures | Short Name | Notes | Percentage of Effective Ownership of AGI<br>**September 2023** | <br>December 2022 |
|---|---|---|---|---|
| ***Subsidiaries*** | | | | |
| **Corporate and Others** | | | | |
| New Town Land Partners, Inc. | "NTLPI" | | **100%** | 100% |
| Alliance Global Group Cayman Islands, Inc. | | (c) | **100%** | 100% |
| Boracay Newcoast Resorts, Inc. | | | **100%** | 100% |
| Dew Dreams International, Inc. | | | **100%** | 100% |
| First Centro, Inc. | "FCI" | | **100%** | 100% |
| ERA Real Estate Exchange, Inc. | | | **100%** | 100% |
| Oceanic Realty Group International, Inc. | | | **100%** | 100% |
| Greenspring Investment Holdings Properties Ltd. | | (d) | **100%** | 100% |
| Alliance Global-Infracorp Development, Inc. (formerly Infracorp Development, Inc.) | "AG-Infracorp" | | **100%** | 100% |
| Shiok Success International, Inc. | | | **100%** | 100% |
| Travellers Group Ltd. | | (d) | **100%** | 100% |
| Venezia Universal Ltd. | | (d) | **100%** | 100% |
| Dew Dreams International, Ltd. | | (d) | **100%** | 100% |
| Shiok Success International, Ltd. | | (d) | **100%** | 100% |
| Adams Properties, Inc. | "Adams" | | **60%** | 60% |
| Newport World Resort Properties, Inc. | "NWRPI" | (p) | **100%** | - |
| ***Associates*** | | | | |
| First Premiere Arches Restaurant Inc. | | | **49%** | 49% |
| Bonifacio West Development Corporation | | | **33%** | 32% |
| Suntrust Resort Holdings, Inc. (formerly Suntrust Home Developers, Inc.) | "SUN" | | **24%** | 24% |
| Palm Tree Holdings and Development Corporation | | | **29%** | 28% |
| SWC Project Management Limited | | | **24%** | 24% |
| WC Project Management Limited | | | **24%** | 24% |
| Suncity WC Hotel Inc. | | | **24%** | 24% |
| Fil-Estate Network, Inc. | | | **12%** | 11% |
| Fil-Estate Sales, Inc. | | | **12%** | 11% |
| Fil-Estate Realty and Sales Associates, Inc. | | | **12%** | 11% |
| Fil-Estate Realty Corp. | | | **12%** | 11% |
| Nasugbu Properties, Inc. | | | **8%** | 8% |
| ***Joint Ventures*** | | | | |
| Bodegas Las Copas, S.L. | "BLC" | (l) | **40%** | 40% |
| Front Row Theatre Management, Inc. | | (m) | **30%** | 30% |

Explanatory notes:

(a) AGI's effective ownership interest is derived from its 47% direct ownership, 3% direct holdings of FCI, 18% direct holdings of NTLPI and 2% direct holdings of other subsidiaries.
(b) AGI and Megaworld directly owns 49% and 51%, respectively.
(c) Foreign subsidiaries operating under the laws of the Cayman Islands.
(d) Foreign subsidiaries operating under the Business Companies Act of the British Virgin Islands ("BVI").
(e) AGI's effective ownership interest represents its indirect holdings through Megaworld, which owns 82% of GERI both as of September 30, 2023 and December 31, 2022.
(f) A subsidiary through 60% and 40% direct ownership of EELHI and FCI, respectively.
(g) DBLC, a subsidiary of GES, is operating under the laws of Spain and its subsidiary PDSC is operating under the laws of Mexico.
(h) Subsidiaries under EIL. EA is operating under the laws of Singapore while GES and its subsidiaries BSB, BFS, GEG, DBLC, SSSL and HCS (a subsidiary of BFS) are operating under the laws of Spain. EES is operating under the laws of Luxembourg. DBLC's subsidiary PDSC is operating under the laws of Mexico. EGB (the ultimate UK parent) is operating under the laws of England and Wales. EUK, WMG, WML, WMWL and WMGL are operating under the laws of Scotland. EA, EES and EGB are direct subsidiaries of EIL.
(i) Effective ownership is based on total voting rights of both common and preferred shares held by the Group – 33% by AGI, 2% by FCI, 2% by Megaworld, and 39% by Adams [24% by Genting Hongkong Limited ("GHL") and negligible by the public]. As for Travellers' common shares, 42% are directly owned by AGI, 4% by FCI, 3% by Megaworld, 20% by Adams, 31% by GHL and less than 1% by the public.
(j) AGI's effective ownership is through 1% direct ownership, 57% through 95% ownership of Travellers, and 1% through ownership of other subsidiaries within the Group (i.e., FCI, Megaworld and Adams).
(k) Foreign subsidiary of MPIL operating under the laws of United States of America.

(l) A foreign joint venture under GES and operating under the laws of Spain.
(m) A joint venture through FHTC.
(n) MFMI, MPMI and MREIT are newly incorporated subsidiaries of Megaworld in 2021. MFMI is engaged in the business of providing fund management services to real estate investment trust ("REIT") companies. MPMI is engaged in the business of providing services in relation to property management, lease management, marketing and project management. MREIT is engaged in the business of real estate investment trust, as provided under Republic Act No. 9856, the Real Estate Investment Trust Act of 2009.
(o) TWFL is a newly incorporated subsidiary of Emperador in 2022.
(p) NWRPI is a newly incorporated subsidiary in 2023.

The Company, its subsidiaries, associates and joint ventures are incorporated and operating in the Philippines, except for such foreign subsidiaries and a joint venture as identified in the preceding table (see explanatory notes c, d, g, h, k, l and m above).

AGI's shares of stock and those of Megaworld, EMI, GERI, EELHI, MREIT and SUN are listed in and traded through the PSE as of September 30, 2023.

The principal activities of the Group are further described in Note 4.

The Company's registered office and primary place of business is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

The Board of Directors ("BOD") approved on November 14, 2023 the release of the interim consolidated financial statements ("ICFS") of the Group as of and for the nine months ended September 30, 2023 (including the comparative financial statements as of December 31, 2022, and for the nine months ended September 30, 2022).

## 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these ICFS are consistent with those applied in the audited consolidated financial statements ("ACFS") as of and for the year ended December 31, 2022 (see Note 2.2).

### *2.1 Basis of Preparation of Interim Consolidated Financial Statements*

These ICFS have been prepared in accordance with Philippine Accounting Standard ("PAS") 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Philippine Financial Reporting Standards ("PFRS"), and should be read in conjunction with the Group's ACFS as of and for the year ended December 31, 2022.

The ICFS are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the ICFS of the Group are measured using the Company's functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

The presentation of the ICFS is consistent with the most recent ACFS presentation.

The Group presents all items of income and expense in a single consolidated statement of comprehensive income.

### *2.2 Adoption of Amended PFRS*

*(a) Effective in 2023 that are Relevant to the Group*

The Group adopted for the first time the following pronouncements, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

| | |
|---|---|
| PAS 1 (Amendments) | : Presentation of Financial Statements – Classification of Liabilities as Current or Non-current |
| PAS 1 and PFRS Practice Statement 2 (Amendments) | : Presentation of Financial Statements – Disclosure of Accounting Policies |
| PAS 8 (Amendments) | : Accounting Estimates – Definition of Accounting Estimates |
| PAS 12 (Amendments) | : Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction |

The adoption of the amendments did not have a significant impact on the Group's ICFS.

*(b) Effective Subsequent to 2023 that is Relevant to the Group*

The effective date of the amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* is deferred indefinitely. The amendments are not expected to have a significant impact on the Group's ICFS and management will adopt the pronouncements in accordance with their transitional provisions.

## 3. JUDGMENTS AND ESTIMATES

The preparation of the Group's ICFS in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the policies applied and amounts reported in the ICFS and related explanatory notes. Judgments and estimates are based on historical experience and management's best knowledge of current events and actions, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates. There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

The Group performed its annual impairment test of goodwill and trademarks with indefinite useful lives at year-end and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill arising from business combination and other intangible assets is based on value-in-use calculations. The Group monitors goodwill and trademarks with indefinite useful lives on the cash generating units to which these assets were allocated and considers the relationship between the market capitalization of the subsidiaries and its net book value, among other factors, when reviewing for indicators of impairment. The Group's management assessed that as at and for the nine months ended September 30, 2023 and as at December 31, 2022, goodwill arising from business combination and other intangible assets with indefinite useful lives are not impaired.

Aside from the foregoing, the judgments, estimates and assumptions applied in the ICFS, including the key sources of estimation uncertainty, were the same as those applied in the ACFS as at and for the year ended December 31, 2022.

## 4. SEGMENT INFORMATION

### *4.1 Business Segments*

The Group is organized into major business segments, which are the major subsidiaries of the Group. These represent the main products and services provided by the Group and the line of business in which the Group operates. Presented below is the basis of the Group in reporting its primary segment information.

*(a)* The *Megaworld* segment consists of development of real estate, integrated resorts, leasing of properties and hotel operations business which is primarily undertaken by Megaworld Corporation and subsidiaries, the Group's forerunner in the real estate industry.

*(b)* The *Emperador* segment refers to the manufacture and distribution of distilled spirits, including the production of glass containers, which is undertaken by Emperador Inc. and subsidiaries.

*(c)* The *Travellers* segment relates to tourism-oriented business that integrates entertainment, hospitality and leisure, including gaming, as that of Newport World Resorts (formerly "Resorts World Manila"), which is operated by Travellers International Hotel Group, Inc. and subsidiaries.

*(d)* The *GADC* segment refers to operations of McDonald's restaurants in the Philippines in accordance with the franchise agreement between GADC and McDonald's Corporation, USA.

The Group disaggregates revenues recognized from contracts with customers into these segments that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This same disaggregation is used in earnings releases, annual reports and investor presentations.

### *4.2 Segment Assets and Liabilities*

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment, intangible assets and investment properties. Segment liabilities include all operating liabilities and consist principally of trade and other payables, interest-bearing loans and bonds payable.

### *4.3 Intersegment Transactions*

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

## *4.4 Analysis of Segment Information*

Segment information can be analyzed as follows for the nine months ended September 30, 2023 and 2022.

| | For nine months ended September 30, 2023 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Megaworld | Travellers | GADC | Emperador | Total |
| **REVENUES AND INCOME** | | | | | |
| Sales to external customers | P 45,370,209,916 | P 23,301,060,884 | P 30,740,808,516 | P 46,297,338,146 | P 145,709,417,462 |
| Intersegment sales | 189,666,742 | 1,865,743 | - | 46,403,152 | 237,935,637 |
| Finance and other income | 2,964,971,577 | 122,063,385 | 128,983,399 | 740,160,912 | 3,956,179,273 |
| Segment revenues and income | 48,524,848,235 | 23,424,990,012 | 30,869,791,915 | 47,083,902,210 | 149,903,532,372 |
| Cost of sales and expenses excluding depreciation and amortization | ( 25,397,943,977 ) | ( 17,295,409,396 ) | ( 25,948,498,661 ) | ( 36,093,953,070 ) | ( 104,735,805,104 ) |
| | 23,126,904,258 | 6,129,580,616 | 4,921,293,254 | 10,989,949,140 | 45,167,727,268 |
| Depreciation and amortization | ( 2,598,674,511 ) | ( 2,801,632,493 ) | ( 2,093,448,067 ) | ( 1,040,471,319 ) | ( 8,534,226,390 ) |
| Finance costs and other charges | ( 4,315,848,809 ) | ( 2,484,637,366 ) | ( 855,654,382 ) | ( 1,224,368,214 ) | ( 8,880,508,771 ) |
| Profit before tax | 16,212,380,938 | 843,310,757 | 1,972,190,805 | 8,725,109,607 | 27,752,992,107 |
| Tax expense | ( 2,710,360,594 ) | ( 29,884,839 ) | ( 499,532,459 ) | ( 1,318,927,100 ) | ( 4,558,704,992 ) |
| **SEGMENT PROFIT** | **P 13,502,020,344** | **P 813,425,918** | **P 1,472,658,346** | **P 7,406,182,507** | **P 23,194,287,115** |
| **SEGMENT ASSETS AND LIABILITIES** | | | | | |
| Segment assets | **P 431,224,115,080** | **P 120,700,684,565** | **P 41,601,589,864** | **P 139,319,723,880** | **P 732,846,113,389** |
| Segment liabilities | **161,452,993,375** | **78,356,573,918** | **31,860,116,305** | **42,802,156,628** | **314,471,840,226** |
| **OTHER SEGMENT INFORMATION** | | | | | |
| Share in net profit (loss) of associates and joint ventures | **( 76,523,882 )** | **( 15,950 )** | **-** | **95,493,689** | **P 18,953,857** |

| | For nine months ended September 30, 2022 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Megaworld | Travellers | GADC | Emperador | Total |
| REVENUES AND INCOME | | | | | |
| Sales to external customers | P 39,694,173,112 | P 18,319,245,116 | P 23,962,988,871 | P 41,404,167,809 | P 123,380,574,908 |
| Intersegment sales | 190,835,644 | 2,836,316 | 39,959,385 | 16,695,860 | 250,327,205 |
| Finance and other income | 2,586,651,440 | 31,802,480 | ( 37,015,464 ) | 697,789,463 | 3,279,227,919 |
| Segment revenues and income | 42,471,660,196 | 18,353,883,912 | 23,965,932,792 | 42,118,653,132 | 126,910,130,032 |
| Cost of sales and expenses excluding depreciation and amortization | ( 21,748,132,494) | ( 14,144,646,000 ) | ( 19,596,495,393 ) | ( 32,007,314,482 ) | ( 87,496,588,369 ) |
| | 20,723,527,702 | 4,209,237,912 | 4,369,437,399 | 10,111,338,650 | 39,413,541,663 |
| Depreciation and amortization | ( 2,437,472,852 ) | ( 2,656,209,867 ) | ( 1,998,989,822 ) | ( 1,085,930,459 ) | ( 8,178,603,000 ) |
| Finance costs and other charges | ( 6,234,278,793 ) | ( 1,749,772,071 ) | ( 823,929,769 ) | ( 200,465,947 ) | ( 9,008,446,580 ) |
| Profit before tax | 12,051,776,057 | ( 196,744,026 ) | 1,546,517,808 | 8,824,942,244 | 22,226,492,083 |
| Tax expense | ( 2,365,612,311 ) | ( 9,459,536 ) | ( 404,319,440 ) | ( 1,097,275,311 ) | ( 3,876,666,598 ) |
| SEGMENT PROFIT (LOSS) | P 9,686,163,746 | ( P 206,203,562 ) | P 1,142,198,368 | P 7,727,666,933 | P 18,349,825,485 |
| OTHER SEGMENT INFORMATION | | | | | |
| Share in net profit (loss) of associates and joint ventures | ( 218,331,599 ) | ( 137,928 ) | - | 73,048,419 | ( 145,421,108 ) |

The following presents the segment assets and liabilities of the Group as of December 31, 2022 (audited):

| | Megaworld | Travellers | GADC | Emperador | Total |
|---|---|---|---|---|---|
| SEGMENT ASSETS AND LIABILITIES | | | | | |
| Segment assets | P 407,268,364,874 | P 120,512,238,096 | P 42,258,378,031 | P 139,215,259,307 | P 709,254,240,308 |
| Segment liabilities | 154,955,291,814 | 82,974,847,246 | 33,549,877,780 | 47,695,845,248 | 319,175,862,088 |

### *4.5 Reconciliations*

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its ICFS.

| | **September 30, 2023 (Unaudited)** | September 30, 2022 (Unaudited) |
|---|---|---|
| **Revenues and income** | | |
| Total segment revenues and income | **P 149,903,532,372** | P 126,910,130,032 |
| Unallocated corporate revenue | **698,255,377** | 1,723,170,866 |
| Elimination of intersegment revenues | **( 178,952,721)** | ( 250,327,205) |
| Revenues as reported in interim consolidated statements of comprehensive income | **P 150,422,835,028** | P 128,382,973,693 |
| **Profit or loss** | | |
| Segment operating profit | **P 23,194,287,115** | P 18,349,825,485 |
| Unallocated corporate loss | **( 2,872,767,150)** | ( 982,331,159) |
| Elimination of intersegment revenues | **( 178,952,721)** | ( 250,327,205) |
| Profit as reported in interim consolidated statements of comprehensive income | **P 20,142,567,244** | P 17,117,167,121 |

| | **September 30, 2023 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| **Assets** | | |
| Segment assets | **P 732,846,113,389** | P 709,254,240,308 |
| Unallocated corporate assets | **31,998,928,642** | 38,765,910,309 |
| Total assets reported in the interim consolidated statements of financial position | **P 764,845,042,031** | P 748,020,150,617 |
| **Liabilities** | | |
| Segment liabilities | **P 314,471,840,226** | P 319,175,862,088 |
| Unallocated corporate liabilities | **62,637,205,035** | 62,876,176,193 |
| Total liabilities reported in the interim consolidated statements of financial position | **P 377,109,045,261** | P 382,052,038,281 |

Concentration of revenue is considered when at least 10% of total segment revenue is generated from a single customer. There is no concentration of the Group's revenue in a single customer as the 10% threshold has not been met in any of the periods presented.

## 5. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation, amortization and impairment of property, plant and equipment as of September 30, 2023 and December 31, 2022 are shown below.

| | **September 30, 2023 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| Cost | **P 226,998,686,301** | P 210,240,679,818 |
| Accumulated depreciation, amortization and impairment | **( 74,572,451,014)** | ( 61,782,310,849) |
| Net carrying amount | **P 152,426,235,287** | P 148,458,368,969 |

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting periods is shown below.

| | September 30, 2023 (Unaudited) | December 31, 2022 (Audited) |
|---|---|---|
| Balance at beginning of period, net of accumulated depreciation, amortization and impairment | P 148,458,368,969 | P 141,904,029,538 |
| Additions | 10,875,522,771 | 16,209,505,039 |
| Depreciation and amortization charges for the period | ( 6,563,090,348) | ( 8,855,486,388) |
| Derecognition | ( 600,131) | ( 531,371,405) |
| Disposals – net | ( 402,948,890) | ( 845,935,453) |
| Impairment reversal | 58,982,916 | 74,555,614 |
| Transfer from investment property | - | 503,072,024 |
| Balance at end of period, net of accumulated depreciation, amortization and impairment | P 152,426,235,287 | P 148,458,368,969 |

## 6. INVESTMENT PROPERTIES

The Group's investment properties include several parcels of land, buildings and improvements which are held for investment purposes only, either to earn rental income or for capital appreciation or both. The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of the reporting periods are shown below.

| | September 30, 2023 (Unaudited) | December 31, 2022 (Audited) |
|---|---|---|
| Cost | P 158,682,354,090 | P 150,674,521,177 |
| Accumulated depreciation | ( 23,470,872,107) | ( 21,318,608,080 ) |
| Net carrying amount | P 135,211,481,983 | P 129,355,913,097 |

A reconciliation of the carrying amounts of investment properties at the beginning and end of the reporting periods is shown below.

| | September 30, 2023 (Unaudited) | December 31, 2022 (Audited) |
|---|---|---|
| Balance at beginning of period, net of accumulated depreciation | P 129,355,913,097 | P 120,539,734,330 |
| Additions | 8,009,378,913 | 12,115,399,232 |
| Depreciation charges for the period | ( 2,153,810,027) | ( 2,795,315,636) |
| Disposals – net | - | ( 832,805) |
| Transfer to property, plant and equipment | - | ( 503,072,024) |
| Balance at end of period, net of accumulated depreciation | P 135,211,481,983 | P 129,355,913,097 |

## 7. DIVIDENDS

There were no dividends declared and paid by the Company for the nine-month periods ended September 30, 2023 and 2022.

## 8. EARNINGS PER SHARE

Earnings per share is computed as follows:

| | September 30, 2023 (Unaudited) | September 30, 2022 (Unaudited) |
|---|---|---|
| Basic and Diluted: | | |
| Net profit attributable to owners of the parent company | P 12,934,102,277 | P 11,917,965,135 |
| Divide by the weighted average number of outstanding common shares | 8,881,939,279 | 9,276,978,379 |
| | P 1.4562 | P 1.2847 |

On September 19, 2017, the Parent Company's BOD approved a two-year share repurchase program of up to P5.0 billion worth of shares in the open market, to enhance shareholder value. This was followed by a series of buy-back programs under the same terms and conditions. As of December 31, 2022, the last buy-back program authorized by the BOD was for P7.0 billion to end on April 8, 2024. On June 13, 2023, it was increased by an additional P2.0 and extended up to April 8, 2025. The Company has repurchased 1,229,654,700 shares for P14.4 billion and 834,615,600 shares for P9.7 billion as of September 30, 2023 and 2022, respectively, which are reported as Treasury Shares.

Under the Revised Corporation Code of the Philippines, a stock corporation can repurchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be repurchased or acquired. Accordingly, the Parent Company's ongoing share repurchase program restricts the Parent Company's retained earnings for distribution as dividends up to the cost of the treasury shares.

There are 158.23 million shares held by subsidiaries with a total cost of P1.2 billion as of September 30, 2023 and 2022 that were reported as part of Treasury Shares in the consolidated statements of changes in equity and taken out of outstanding common shares in computing EPS.

The basic and diluted earnings per share are the same for the nine months ended September 30, 2023 and 2022, as the Company's Executive Stock Option Plan are considered to be antidilutive since their conversion to ordinary shares would increase earnings per share. Thus, the number of issued and outstanding common shares presented above does not include the effect of the potential common shares from the Executive Stock Option Plan.

## 9. RELATED PARTY TRANSACTIONS

The Group's related parties include its stockholders, associates, joint ventures, the Group's key management personnel and retirement fund, and others. The summary of the Group's transactions with its related parties for the periods ended September 30, 2023 and 2022, and the related outstanding balances as of September 30, 2023 and December 31, 2022 are as follows:

| Related Party Category | Notes | Amount of Transaction September 30, 2023 (Unaudited) | Amount of Transaction September 30, 2022 (Unaudited) | Receivable (Payable) September 30, 2023 (Unaudited) | Receivable (Payable) December 31, 2022 (Audited) |
|---|---|---|---|---|---|
| **Subsidiaries' stockholders:** | | | | | |
| Management fees | | **(P 306,830,850)** | P 262,231,020 | **(P 359,427,270)** | ( P 666,258,120 ) |
| Accounts payable | 9.3 | **-** | - | **( 315,040,576)** | ( 315,040,576 ) |
| **Related party under common ownership:** | | | | | |
| Purchase of raw materials | 9.1 | **888,935,906** | 1,931,715,490 | **( 273,065,699)** | ( 319,428,263 ) |
| Purchase of finished goods | 9.1 | **417,366,353** | 14,575,951 | **( 150,574)** | - |
| Advances granted | 9.2 | **217,829,570** | 1,633,139,965 | **4,669,551,390** | 4,451,721,820 |
| Management services | 9.1 | **60,000,000** | 45,000,000 | **( 33,000,000)** | ( 115,500,000 ) |
| **Associates:** | | | | | |
| Advances granted | 9.2 | **23,457,772** | 21,358,333 | **1,033,350,709** | 1,009,892,937 |
| **Others:** | | | | | |
| Accounts receivable | 9.3 | **377,284,369** | 265,527,933 | **1,621,918,073** | 1,244,633,704 |
| Accounts payable | 9.3 | **3,070,715** | - | **( 42,137,715)** | ( 45,208,430 ) |
| Advances | 9.4 | **652,119,334** | 1,159,986,917 | **( 975,637,194)** | ( 1,627,756,528 ) |
| Donations | | **192,303,738** | 168,913,392 | **( 24,173,538)** | ( 18,066,970 ) |

Unless otherwise stated, the outstanding balances of the Group's transactions with its related parties are unsecured, noninterest-bearing and payable or collectible on demand.

### *9.1 Purchase of Goods and Management Agreement*

Emperador imports finished goods and raw materials through Andresons Global, Inc., a related party under common ownership. These transactions are normally being paid within 30 days. Emperador also imports raw materials from Alcoholera dela Mancha Vinicola, S.L., a wholly owned subsidiary of BLC. Emperador had a management agreement with Consolidated Distillers of the Far East, Inc., a related party under common ownership, for the consultancy and advisory services in relation to the operation, management, development and maintenance of its distillery plant. The outstanding balances as of September 30, 2023 and December 31, 2022 are shown as part of Trade and Other Payables account in the consolidated statements of financial position.

### *9.2 Advances to Associates and Other Related Parties*

Entities within the Group grant advances to associates and other related parties for working capital purposes. These advances to associates and other related parties are unsecured, noninterest-bearing and repayable upon demand. Settlement is generally made in cash or through offsetting arrangements.

The movements of the outstanding balances of Advances to associates and other related parties, which are shown as part of Trade and Other Receivables account in the consolidated statements of financial position, are presented as follows:

| | **September 30, 2023 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| Balance at beginning of period | **P 5,461,614,757** | P 3,634,327,162 |
| Cash advances granted | **241,287,342** | 1,827,287,595 |
| Collections | **-** | - |
| Balance at end of period | **P 5,702,902,099** | P 5,461,614,757 |

As of September 30, 2023 and December 31, 2022, based on management's assessment, the outstanding balances of advances to associates and other related parties are not impaired; hence, no impairment losses were recognized.

### *9.3 Due from/to Related Parties*

Transactions with related parties include the following: financing of opening of letters of credit and payment of progress billings, royalty fees, rentals, interest and certain expenses in behalf of the entities within Group or other related parties. Settlement is generally made in cash or through offsetting arrangements.

The outstanding balances of the Due from/to Related Parties are included under Trade and Other Receivables and Trade and Other Payables accounts, respectively, in the consolidated statements of financial position, as presented below.

| | **September 30, 2023 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| ***Due from Related Parties*** | | |
| Balance at beginning of period | **P 1,244,633,704** | P 851,430,622 |
| Additions | **887,860,406** | 939,341,556 |
| Collections | **( 510,576,037)** | ( 546,138,474) |
| Balance at end of period | **P 1,621,918,073** | P 1,244,633,704 |
| ***Due to Related Parties*** | | |
| Balance at beginning of period | **P 360,249,006** | P 360,249,006 |
| Repayments | **( 3,070,715)** | - |
| Balance at end of period | **P 357,178,291** | P 360,249,006 |

As of September 30, 2023 and December 31, 2022, based on management's assessment, no additional amount of impairment is necessary.

### *9.4 Advances from Other Related Parties*

Certain expenses of entities within the Group are paid for by other related parties. The advances are unsecured, noninterest-bearing, with no repayment terms, and generally payable in cash or through offsetting arrangements.

The movements in advances from other related parties are as follows:

| | **September 30, 2023 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| Balance at beginning of period | **P 1,627,756,528** | P 2,469,533,312 |
| Advances paid | **( 652,119,334)** | ( 2,433,986,742) |
| Advances availed | **-** | 1,592,209,958 |
| Balance at end of period | **P 975,637,194** | P 1,627,756,528 |

### *9.5 Transactions with the Retirement Plans*

The Group has formal retirement plans established separately for each significant subsidiary, particularly Megaworld, GERI, EELHI, Travellers, GADC, EDI and WML. These plans are defined benefit post-employment plans maintained for qualified employees, administered and managed by trustee banks (except for GERI which is still an unfunded plan) that are legally separated from the Group. The retirement funds do not provide any guarantee or surety for any obligation of the Group and their investments are not covered by any restrictions or liens.

## 10. COMMITMENTS AND CONTINGENCIES

### *10.1 Tax Contingencies of Travellers' Casino Operations*

Travellers is subject to 25% and 15% license fees, inclusive of franchise tax and in lieu of all taxes, with reference to the income component of the gross gaming revenues, as provided under the Provisional License Agreement with Philippine Amusement and Gaming Corporation ("PAGCOR").

All contractees and licensees of PAGCOR, upon payment of the 5% franchise tax, shall be exempted from all other taxes, including income tax realized from the operation of casinos.

In a Resolution dated May 3, 2021, the Supreme Court also held that Travellers' "gaming revenues as a PAGCOR licensee were exempt from regular corporate income tax after payment of the five percent (5%) franchise tax".

### *10.2 Skytrain Project*

On October 2017, the Group submitted an unsolicited proposal to the government to build Skytrain that will link Uptown Fort Bonifacio to Guadalupe Station of Metro Rail Transit Line-3. The Group was granted an Original Proponent Status by the DOTr in May 2018 and its proposal is now undergoing review and evaluation at NEDA Board.

### *10.3 Co-Development Agreement between WCRWI and SUN*

The principal terms of the co-development agreement are as follows:

*(i) WCRWI and Travellers shall lease the Project Site (i.e. "the site upon which the hotel casino is to be erected") to SUN.*

WCRWI and Travellers shall lease to SUN the site upon which a hotel casino will be erected at an annual rental of US$10.6 million (P551.3 million), exclusive of VAT, until August 19, 2039. The lease shall automatically be renewed subject to applicable laws for another 25 years, unless otherwise agreed upon by the parties. The annual rental shall be payable upon the commencement of operation of the hotel casino.

In line with the foregoing, on February 21, 2020, WCRWI and Travellers entered into a lease agreement with SUN.

*(ii) SUN shall finance the development and construction of a hotel casino.*

SUN shall finance the development and construction of a hotel casino on the leased area. SUN shall also pay a certain fixed amount to WCRWI for reimbursement of costs already incurred and construction works that have already been accomplished on the Project Site.

In 2021, the conditions specified in the CDA had been fulfilled and the transfer of assets has been completed.

*(iii) WCRWI shall enter into an agreement with SUN, for the latter to operate and manage a hotel casino.*

WCRWI and SUN shall enter into an agreement for the operations and management of a hotel casino for the period of the gaming Provisional License Agreement (i.e. up to July 11, 2033) as well as any extension or renewal of the Provisional License Agreement on terms mutually agreed between WCRWI and SUN. The operations and management agreement was entered into by the parties on May 4, 2020.

As of September 30, 2023, the hotel casino has not yet commenced its operation; hence, agreement above has not yet materialized.

*(iv) WCRWI and the Travellers as warrantors*

Fortune Noble Limited ("Fortune") [a wholly-owned subsidiary of Suncity Group Holdings Limited], the parent company of SUN, conditionally agreed to subscribe to 2.55 billion new SUN shares subject to the terms and conditions mutually agreed upon by the parties. WCRWI and Travellers agreed to act as the warrantors, wherein, a put option over the shares of SUN was included. The put option enables Fortune to transfer ownership over SUN to the warrantors in exchange for an option price, upon the happening of any of the put option events during the option period.

The option period commences from the date of the agreement up to the day immediately preceding the date on which the hotel casino first starts its operation. The put option events mainly pertains to the successful commencement of operations of the hotel casino, which include, among others, the termination or suspension of gaming license due to the default of the warrantors, termination of WCRWI's lease over Site A as applicable, or failure to acquire government consent for operation of hotel casino.

The option price is equivalent to the aggregate of: (a) the consideration for the acquisition by Fortune of the 1.1 billion SUN shares as at the date of the agreement together with interest from the date of completion of the said acquisition up to the date of completion of the put option; and, (b) the aggregate of the shares subscription price for the subscription of 2.55 billion new SUN shares including interest as well from the date of shares subscription completion up to the date of completion of the put option.

Management assessed that since the put option transfers significant risk to the Group as warrantors, it shall be accounted for as a financial guarantee to be measured under PFRS 9, *Financial Instruments*. Accordingly, the put option was initially recognized at the amount of premium received then, subsequently measured at the higher of the amount initially recognized or the amount using the expected credit loss model ("ECL").

Applying the ECL model, the option price that WCRWI and Travellers are committed to pay amounting to P3.7 billion was compared with the value of the collateral or the shares of stocks that they will receive. In determining the value of the shares, management assessed that the price of SUN shares in the PSE as of September 30, 2023 amounting to P0.83 per share or a total value of P7.2 billion is a reasonable estimate of its value. In terms of probability of default, management assessed that it is unlikely or remote (see Note 11.2).

As of September 30, 2023 and December 31, 2022, the value of the put option is still the amount initially recognized as the option price is fully secured by the value of SUN shares and that the probability of default was assessed to be remote.

### *10.4 Purchase and Sale Commitment*

On December 27, 2020, the Group (as seller) signed a letter of intent with Global One Real Estate Spain SAU, a related party under common ownership, (as buyer) for the sale of the Group's certain land and buildings in Spain (reported as Non-Current Assets Held for Sale in the interim consolidated statements of financial position) for a total purchase price of €16.6 million. On December 27, 2022, the parties renewed their commitment and the term to complete the sale and purchase of properties is set until December 31, 2023.

### *10.5 Other Commitments and Contingencies*

There are other commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying ICFS. Management is of the opinion that losses, if any, from these items will not have any material impact on the ICFS.

In addition, there are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Group with unconsolidated entities or other persons created during the reporting periods.

## 11. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial instruments such as cash and cash equivalents, financial assets at fair value through profit or loss ("FVTPL"), financial assets at fair value through other comprehensive income ("FVOCI"), interest-bearing loans, bonds payable, trade receivables and payables and derivative assets and liabilities which arise directly from the Group's business operations. The financial debts were issued to raise funds for the Group's capital expenditures.

The Group does not actively engage in the trading of financial assets for speculative purposes.

The Group is exposed to a variety of financial risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

### *11.1 Market Risk*

*(a) Foreign Currency Sensitivity*

Most of the Group's transactions are carried out in Philippine pesos, U.S. dollars, Euros and U.K. pounds, which are the functional currencies of the individual subsidiaries making the transactions.

The currency exchange risk arises from transactions carried out in currencies other than the functional currency of the subsidiaries at each entity level. The Group has no significant exposure to changes in foreign currency exchange rates for Euros and U.K. pounds since these currencies are not significant to the Group's consolidated financial statements.

Foreign currency denominated financial assets and liabilities, translated into Philippine pesos at period-end closing rate are as follows:

| | **September 30, 2023 (Unaudited)** | | December 31, 2022 (Audited) | |
|---|---|---|---|---|
| | **U.S. Dollars** | **HK Dollars** | U.S. Dollars | HK Dollars |
| Financial assets | **P 6,314,149,175** | **P 2,920,098,918** | P 13,151,297,538 | P 2,877,528,389 |
| Financial liabilities | **( 31,162,413,083 )** | **( 1,041,169,136 )** | ( 37,410,095,996 ) | ( 912,338,548 ) |
| | **( P 24,848,263,908)** | **P 1,878,929,782** | (P 24,258,798,458 ) | P 1,965,189,841 |

The sensitivity of the consolidated income before tax for the period with regard to the Group's financial assets and financial liabilities and the U.S. dollar – Philippine peso exchange rate assumes +/- 9.70% and +/- 10.63% changes in exchange rate for the nine months ended September 30, 2023 and for the year ended December 31, 2022, respectively. The HK dollar – Philippine peso exchange rate assumes +/- 9.79% and +/- 10.62% changes in exchange rate for the nine months ended September 30, 2023 and for the year ended December 31, 2022, respectively. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months estimated at 95% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting periods.

If the Philippine peso had strengthened (or weakened) against the U.S. dollar, with all other variables held constant, consolidated profit before tax would have increased (or decreased) by P2.4 billion for the nine-month period ended September 30, 2023 and increased (or decreased) by P2.6 billion for the year ended December 31, 2022. If the Philippine peso had strengthened (or weakened) against the HK dollar, with all other variables held constant, consolidated profit before tax would have decreased (or increased) by P0.2 billion for the nine-month period ended September 30, 2023 and decreased or (increased) by P0.2 billion for the year ended December 31, 2022.

The Group periodically reviews the trend of the foreign exchange rates and monitors its non-functional currency cash flows.

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

*(b)* *Interest Rate Sensitivity*

The Group's interest risk management policy is to minimize interest rate cash flow risk exposures to changes in interest rates. At present, the Group is exposed to changes in market interest rates through certain bank borrowings and cash and cash equivalents, which are subject to variable interest rates. The Group maintains a debt portfolio unit of both fixed and variable interest rates. All other financial assets are subject to variable interest rates.

The sensitivity of the consolidated profit before tax for the period to a reasonably possible change in interest rates of +/- 3.97% for Philippine peso and +/- 9.86% for U.S. dollar in 2023, and +/- 6.90% for Philippine peso and +/- 3.61% for U.S. dollar in 2022 with effect from the beginning of the period. These percentages have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months estimated at 95% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at September 30, 2023 and December 31, 2022, with effect estimated from the beginning of the period. All other variables held constant, the consolidated profit before tax would have increased by P1.5 billion for the nine-month period ended September 30, 2023, and decreased by P4.0 billion for the year ended December 31, 2022. Conversely, if the interest rates decreased by the same percentage, consolidated profit before tax would have been lower by the same amount.

### *11.2 Credit Risk*

Generally, the Group's credit risk is attributable to trade and other receivables arising mainly from transactions with approved franchisees, installment sales receivables, rental receivables and other financial assets. The carrying values of these financial assets subject to credit risk are disclosed in Note 12.

The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. Franchisees are subject to stringent financial, credit and legal verification process. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant portion of sales, advance payments are received to mitigate credit risk.

With respect to credit risk arising from the other financial assets of the Group, composed significantly of cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Cash and cash equivalents in banks in the Philippines are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 per depositor per banking institution. The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high quality external credit ratings.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than trade receivables and have substantially the same risk characteristics as the trade receivables. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables.

The expected loss rates are based on the payment profiles of sales. Further, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group identifies headline inflation rate and bank lending rate to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

ECL for advances to associates and other related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

Except for real estate sales, contract assets and rental receivables, the Group's financial assets are not covered with any collateral or credit enhancement. Accordingly, the Group manages credit risk by setting limits on the amount of risk in relation to a particular customer including requiring payment of any outstanding receivable before a new credit is extended. Such risk is monitored on a regular basis and subject to an annual or more frequent review. Approval for credit limits are secured from the credit manager.

The Group considers credit enhancements in determining the expected credit loss. Trade receivables from real estate sales are collateralized by the real properties sold while rental receivables are secured to the extent of advanced rental and security deposits received from lessees. Further, customers are required to issue post-dated checks, which provide additional credit enhancement.

Trade and other receivables that are past due but not impaired are presented below.

| | **September 30 2023 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| Not more than 30 days | **P 3,286,264,831** | P 3,861,672,009 |
| 31 to 60 days | **813,801,028** | 1,417,672,772 |
| Over 60 days | **4,009,175,811** | 4,373,030,052 |
| | **P 8,109,241,670** | P 9,652,374,833 |

Moreover, the management has assessed that risk over the put option has not increased significantly, as the related probability of any of the put option event from happening is low or remote under the circumstances. Hence, in accordance with the general approach of ECL, the value of the put option was measured on a 12-month basis.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset. Indicators that there is no reasonable expectation of recovery include the cessation of enforcement activity and where the value of any assets that the Group may get from the customers is less than the outstanding contractual amounts of the financial assets to be written-off.

### *11.3 Liquidity Risk*

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a three-month and one-year period are identified monthly. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans, bonds, and preferred shares.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets. In addition, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues.

As of September 30, 2023, the Group's financial liabilities (excluding lease liabilities) have contractual maturities which are presented below.

| | Current | | Non-current | |
|---|---|---|---|---|
| | Within 6 Months | 6 to 12 Months | 1 to 5 Years | Later than 5 Years |
| Trade and other payables | P 62,409,665,578 | P 12,980,530,340 | P - | P - |
| Interest-bearing loans | 15,061,054,359 | 30,887,421,385 | 141,363,588,639 | 7,382,703,059 |
| Bonds payable | 6,571,792,219 | 6,571,792,219 | 22,403,473,313 | - |
| Advances from related parties | 205,330,312 | 975,637,194 | - | - |
| Redeemable preferred shares | - | - | 1,574,159,348 | - |
| Subscription payable | - | - | - | - |
| Security deposits | 39,345,318 | 47,300,721 | 181,398,362 | 333,887,546 |
| Slot jackpot liability | 460,753,850 | - | - | - |
| Other liabilities | 66,446,646 | 1,893,425,556 | 4,977,794,396 | 28,135,035 |
| | P 84,814,388,282 | P 53,356,107,415 | P 170,500,414,058 | P 7,744,725,640 |

As of December 31, 2022, the Group's financial liabilities (excluding lease liabilities) have contractual maturities which are presented below.

| | Current | | Non-current | |
|---|---|---|---|---|
| | Within 6 Months | 6 to 12 Months | 1 to 5 Years | Later than 5 Years |
| Trade and other payables | P 67,392,418,143 | P 16,615,977,635 | P - | P - |
| Interest-bearing loans | 5,851,631,880 | 31,990,367,818 | 138,338,513,952 | 10,023,845,002 |
| Bonds payable | 14,700,473,956 | 824,365,975 | 35,204,540,481 | - |
| Advances from related parties | 132,574,884 | 1,497,837,117 | - | - |
| Redeemable preferred shares | - | - | 1,537,091,539 | - |
| Subscription payable | - | 1,114,665,008 | - | - |
| Security deposits | - | 53,706,819 | 130,902,420 | 556,145,047 |
| Slot jackpot liability | - | 693,883,849 | - | - |
| Other liabilities | 696,323,501 | 2,077,980,412 | 7,767,744,257 | 28,298,162 |
| | P 88,773,422,364 | P 54,868,784,633 | P 182,978,792,649 | P 10,608,288,211 |

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

### *11.4 Other Price Risk Sensitivity*

The Group's market price risk arises from its investments carried at fair value. It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

For equity securities listed in the Philippines, the observed volatility rates of the fair values of the Group's investments held at fair value and their impact on the equity as of September 30, 2023 and December 31, 2022 are summarized below.

| | Observed Volatility Rates | | Impact on Equity | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| 2023 - Investment in quoted equity securities at: | | | | |
| FVOCI | **+25.39%** | **-25.39%** | **P 21,724,297** | **(P 21,724,297)** |
| FVTPL | **+25.39%** | **-25.39%** | **1,285,682,695** | **( 1,285,682,695)** |
| 2022 - Investment in quoted equity securities at: | | | | |
| FVOCI | +41.99% | -41.99% | P 16,477,256 | (P 16,477,256) |
| FVTPL | +41.99% | -41.99% | P2,022,714,535 | ( 2,022,714,535) |

The maximum additional estimated gain or loss in 2023 and 2022 is to the extent of the carrying value of the securities held as of these reporting dates with all other variables held constant. The estimated change in quoted market price is computed based on volatility of listed companies at the PSE for the past nine months in 2023 and 12 months in 2022, at 95% confidence level.

The investments in listed equity securities are considered long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored and voting rights arising from these equity instruments are utilized in the Group's favor.

## 12. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

| | **September 30, 2023 (Unaudited)** | | December 31, 2022 (Audited) | |
|---|---|---|---|---|
| | **Carrying Values** | **Fair Values** | Carrying Values | Fair Values |
| ***Financial Assets*** | | | | |
| Financial assets at amortized cost: | | | | |
| Cash and cash equivalents | **P 65,768,461,254** | **P 65,768,461,254** | P 79,929,420,988 | P 79,929,420,988 |
| Trade and other receivables | **79,539,823,238** | **79,059,334,051** | 69,440,374,506 | 69,157,966,455 |
| Other financial assets | **4,525,141,705** | **4,442,257,925** | 4,729,436,456 | 4,729,436,456 |
| | **P 149,833,426,197** | **P 149,270,053,230** | P154,099,231,950 | P 153,816,823,899 |
| Financial assets at FVTPL – | | | | |
| Marketable debt and equity securities | **P 14,654,848,974** | **P 14,654,848,974** | P 14,832,361,525 | P 14,832,361,525 |
| Derivative assets | **506,442,206** | **506,442,206** | 129,818,974 | 129,818,974 |
| | **P 15,161,291,180** | **P 15,161,291,180** | P 14,962,180,499 | P 14,962,180,499 |
| ***Financial Assets*** | | | | |
| Financial assets at FVOCI – | | | | |
| Equity securities | **P 461,165,362** | **P 461,165,362** | P 342,843,851 | P 342,843,851 |
| ***Financial Liabilities*** | | | | |
| Financial liabilities at FVTPL – | | | | |
| Slot jackpot liability | **P 460,753,850** | **P 460,753,850** | P 693,883,849 | P 693,883,849 |
| Financial liabilities at amortized cost: | | | | |
| Current: | | | | |
| Trade and other payables | **P 67,700,259,752** | **P 67,700,259,752** | P 83,314,511,929 | P 83,314,511,929 |
| Interest-bearing loans | **44,608,773,836** | **44,763,580,898** | 32,504,240,444 | 34,154,302,378 |
| Bonds payable | **11,995,985,092** | **11,341,750,016** | 14,026,453,110 | 13,889,177,501 |
| Lease liabilities | **1,176,652,799** | **1,176,652,799** | 1,361,900,994 | 1,361,900,994 |
| Subscription payable | **-** | **-** | 1,114,665,008 | 1,114,665,008 |
| Advances from related parties | **975,637,194** | **975,637,194** | 1,627,756,525 | 1,627,756,525 |
| Commission payable | **1,826,978,910** | **1,826,978,910** | 2,077,980,412 | 2,077,980,412 |
| | **P 128,284,287,583** | **P 127,784,859,569** | P 136,027,508,422 | P137,540,294,747 |
| Financial liabilities at amortized cost: | | | | |
| Non-current: | | | | |
| Bonds payable | **P 19,574,486,867** | **P 18,506,936,698** | P 31,212,622,400 | P 30,907,147,331 |
| Interest-bearing loans | **140,115,936,050** | **139,434,687,076** | 136,287,705,784 | 134,744,736,331 |
| Lease liabilities | **16,102,167,926** | **16,102,167,926** | 16,405,976,571 | 16,344,827,051 |
| Casino deposit certificates | **4,323,000,000** | **3,946,274,210** | 4,323,000,000 | 4,323,000,000 |
| Redeemable preferred shares | **1,574,159,348** | **1,574,159,348** | 1,537,091,539 | 1,424,353,069 |
| Retention payable | **2,663,100,189** | **2,663,100,189** | 2,507,283,349 | 2,507,283,349 |
| Security deposits | **892,423,781** | **848,358,732** | 853,524,893 | 853,524,893 |
| Accrued rent | **8,652,760** | **8,652,760** | - | - |
| | **P 185,253,926,921** | **P 183,084,336,939** | P193,127,204,536 | P 191,104,872,024 |

## 13. FAIR VALUE MEASUREMENT AND DISCLOSURES

### *13.1 Fair Value Hierarchy*

The 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 fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets or for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the resource or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation techniques, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

### *13.2 Financial Instruments Measured at Fair Value*

The table below and in the succeeding page shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of September 30, 2023 and December 31, 2022.

| | September 30, 2023 (Unaudited) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| ***Financial assets:*** | | | | |
| Financial assets at FVTPL – Debt and equity securities | P 15,161,291,180 | P - | P - | P 15,161,291,180 |
| Financial assets at FVOCI – Equity securities | 85,562,416 | 238,700,000 | 136,902,946 | 461,165,362 |
| | **P 15,246,853,596** | **P 238,700,000** | **P 136,902,946** | **P 15,622,456,542** |
| ***Financial liabilities:*** | | | | |
| Financial liability at FVTPL – Derivative liabilities | **P -** | **P 460,753,850** | **P -** | **P 460,753,850** |

| | December 31, 2022 (Audited) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| *Financial assets:* | | | | |
| Financial assets at FVTPL – | | | | |
| Debt and equity securities | P 14,832,361,525 | P - | P - | P 14,832,361,525 |
| Derivative asset | - | 129,818,974 | - | 129,818,974 |
| Financial assets at FVOCI – | | | | |
| Equity securities | 39,240,905 | 166,700,000 | 136,902,946 | 342,843,851 |
| | P 14,871,602,430 | P 296,518,974 | P 136,902,946 | P 15,305,024,350 |
| *Financial liabilities:* | | | | |
| Financial liability at FVTPL – | | | | |
| Slot jackpot liability | P - | P 693,883,849 | P - | P 693,883,849 |

## *13.3 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed*

The table below and in the succeeding page shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of September 30, 2023 and December 31, 2022.

| | **September 30, 2023 (Unaudited)** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| ***Financial assets:*** | | | | |
| Cash and cash equivalents | P 65,768,461,254 | P - | P - | P 65,768,461,254 |
| Trade and other receivables | - | 12,982,552 | 79,046,351,499 | 79,059,334,051 |
| Other financial assets | 2,639,188,983 | 636,045,663 | 1,167,023,279 | 4,442,257,925 |
| | **P 68,407,650,237** | **P 649,028,215** | **P 80,213,374,778** | **P 149,270,053,230** |
| ***Financial liabilities:*** | | | | |
| Current: | | | | |
| Trade and other payables | P - | P - | P 67,700,259,752 | P 67,700,259,752 |
| Interest-bearing loans | - | - | 44,763,580,898 | 44,763,580,898 |
| Subscription payable | - | - | - | |
| Bonds Payable | 11,341,750,016 | - | - | 11,341,750,016 |
| Lease liabilities | - | - | 1,176,652,799 | 1,176,652,799 |
| Commission payable | - | - | 1,826,978,910 | 1,826,978,910 |
| Due to related parties | - | - | 975,637,194 | 975,637,194 |
| Non-current: | | | | |
| Bonds payable | 18,506,936,698 | - | - | 18,506,936,698 |
| Interest-bearing loans | - | - | 139,434,687,076 | 139,434,687,076 |
| Redeemable preferred shares | - | - | 1,574,159,348 | 1,574,159,348 |
| Lease liabilities | - | - | 16,102,167,926 | 16,102,167,926 |
| Retention payable | - | - | 2,663,100,189 | 2,663,100,189 |
| Security deposits | - | - | 848,358,732 | 848,358,732 |
| Casino deposit certificates | - | - | 3,946,274,210 | 3,946,274,210 |
| Accrued rent | - | - | 8,652,760 | 8,652,760 |
| | **P 29,848,686,714** | **P -** | **P281,020,509,794** | **P 310,869,196,508** |

| | December 31, 2022 (Audited) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| *Financial assets:* | | | | |
| Cash and cash equivalents | P 79,929,420,988 | P - | P - | P 79,929,420,988 |
| Trade and other receivables | - | 34,307,558 | 69,123,658,897 | 69,157,966,455 |
| Other financial assets | 2,758,627,215 | - | 1,970,809,241 | 4,729,436,456 |
| | **P 82,688,048,203** | **P 34,307,558** | **P 71,094,468,138** | **P 153,816,823,899** |
| *Financial liabilities:* | | | | |
| Current: | | | | |
| Trade and other payables | P - | P - | P 83,314,511,929 | P 83,314,511,929 |
| Interest-bearing loans | - | - | 34,154,302,378 | 34,154,302,378 |
| Lease liabilities | - | - | 1,361,900,994 | 1,361,900,994 |
| Subscription payable | - | - | 1,114,665,008 | 1,114,665,008 |
| Advances from related parties | - | - | 1,627,756,525 | 1,627,756,525 |
| Bonds payable | 13,889,177,501 | - | - | 13,889,177,501 |
| Commission payable | - | - | 2,077,980,412 | 2,077,980,412 |
| Non-current: | | | | |
| Bonds payable | 30,907,147,331 | - | - | 30,907,147,331 |
| Lease Liabilities | - | - | 16,344,827,051 | 16,344,827,051 |
| Interest-bearing loans | - | - | 134,744,736,331 | 134,744,736,331 |
| Redeemable preferred shares | - | - | 1,424,353,069 | 1,424,353,069 |
| Retention payable | - | - | 2,507,283,349 | 2,507,283,349 |
| Security deposits | - | - | 853,524,893 | 853,524,893 |
| | **P 44,796,324,832** | **P -** | **P279,525,841,939** | **P 324,322,166,771** |

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

The fair values of the financial assets and financial liabilities included in Level 2 and Level 3 above which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

### *13.4 Investment Property Measured at Cost for which Fair Value is Disclosed*

The fair value of the Group's investment properties earning rental income was determined through discounted cash flows valuation technique. The Group uses assumptions that are mainly based on market conditions existing at each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

The Group determines the fair value of idle properties through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adjusted for specific market factors such as location and condition of the property.

As of September 30, 2023, the fair value of the Group's investment property amounting to P563.0 billion is classified within Level 3 of the fair value hierarchy. The Level 3 fair value of investment properties earning rental income was determined using the income approach which is performed with values derived using a discounted cash flow model. The income approach uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business opportunity and costs of capital. The most significant inputs into this valuation approach are the estimated annual cash inflow and outgoing expenses, anticipated increase in market rental, discount rate and terminal capitalization rate.

## 14. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objective is to ensure its ability to continue as a going concern; to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and to maintain strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

There were no changes in the Group's approach to capital management during the periods presented.

| | **September 30, 2023 (Unaudited)** | December 31, 2022 (Audited) |
|---|---|---|
| Total liabilities | **P 377,109,045,261** | P 382,052,038,281 |
| Total equity | **387,735,996,770** | 365,968,112,336 |
| Liabilities-to-equity ratio | **P 0.97:1.00** | 1.04:1.00 |

## 15. OTHER MATTERS

a. On April 27, 2023, the Manila International Airport Consortium, a partnership among six leading Filipino conglomerates, including AG-Infracorp, and US-based Global Infrastructure Partners submitted an unsolicited proposal to the Philippine Government for the upgrading of Manila's Ninoy Aquino International Airport ("NAIA"). Valued at over P100 billion, the proposal includes a significant upfront payment to Government and committed investments in new facilities and technology to transform NAIA into a world-class airport.

b. There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

**ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES**
**AGING SCHEDULE OF CURRENT TRADE AND OTHER RECEIVABLES**
**September 30, 2023**
***(Amounts in Philippine Pesos)***

| | | |
|---|---|---|
| Current | P | 63,404,849,493 |
| 1 to 30 days | | 3,286,264,831 |
| 31 to 60 days | | 813,801,028 |
| Over 60 days | | 4,009,175,811 |
| Total | | 71,514,091,163 |
| Due from other related parties | | 1,621,918,073 |
| **Balance as at September 30, 2023** | **P** | **73,136,009,236** |