SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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

1. For the fiscal year ended **31 December 2025**

2. SEC Identification Number **54666**

3. BIR Tax Identification No. **000-163-396**

4. Exact name of issuer as specified in its charter **SHAKEY'S PIZZA ASIA VENTURES INC.**

5. Province, Country or other jurisdiction of incorporation or organization: **MANILA, PHILIPPINES**

6. Industry Classification Code: ______ (SEC Use Only)

7. Address of principal office: **15 KM EAST SERVICE ROAD CORNER MARIAN ROAD 2, BARANGAY SAN MARTIN DE PORRES, PARANAQUE CITY** Postal Code: **1700**

8. Issuer's telephone number, including area code:**(632) 839-0156**

9. Former name, former address, and former fiscal year, if changed since last report: **NA**

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	**1,683,760,178**

11. Are any or all of these 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. Check whether the issuer:

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

    Yes [/]   No [   ]

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

Yes [/] No [ ]

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

PHP11,348,543,600 COMPUTED USING THE CLOSING PRICE OF PHP6.74 AND ISSUED SHARES OF 1,683,760,178 AS OF MARCH 31, 2026.

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

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

Yes [ ] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

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

List of Stockholders attached as Annexes A-1 and A-2 referred to in Item 11 on page 25.

2025 Sustainability Report attached as Annex B.

2025 Consolidated Financial Statements of Shakey's Pizza Asia Ventures Inc. and its Subsidiaries attached as Annex C and Financial Statements of Parent Company attached as Annex D referred to in Item 6 on page 11.

PART I - BUSINESS AND GENERAL INFORMATION

PART II - OPERATIONAL AND FINANCIAL INFORMATION

PART III - CONTROL AND COMPENSATION INFORMATION

PART IV - EXHIBITS AND SCHEDULES

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a. Overview

Shakey's Pizza Asia Ventures Inc. (PSE: PIZZA or the Company) is one of the leading food service groups in the Philippines. Its portfolio is comprised of casual dining concepts and kiosks. As of December 31, 2025, it operated a total of 2,970 stores and kiosks - a mix of company-owned and franchise outlets in the Philippines and abroad.

In 2016, Century Pacific Group Inc. (CPGI) and the sovereign wealth fund of Singapore acquired majority ownership of PIZZA. Subsequently, on December 15, 2016, PIZZA successfully listed on the Main Board of the Philippine Stock Exchange (PSE) with a total of 1,531,321,053 common shares at ₱11.26 per share.

The first among PIZZA's brands is *Shakey's*, the market leader in chained pizza full-service restaurant and chained full-service restaurant with 68.6% and 22.3% market shares, respectively, based on 2025 data from Euromonitor.

Shakey's has 50 years of brand legacy in the Philippines. Originally an American brand established in 1954, *Shakey's* expanded into the Philippines in 1975 and has since become a household name to generations of Filipinos. *Shakey's* strength comes from its unique products paired with excellent guest service. It is best known for its original thin crust pizza and iconic Chicken N' Mojos.

PIZZA owns the trademarks and licenses to operate the *Shakey's* brand in the Philippines. It has full control over the management and execution of *Shakey's* Philippine operations. As the brand owner, PIZZA generates additional revenue from franchising while not having to pay royalty fees for the use of the *Shakey's* name. PIZZA also owns the rights and trademarks of the S*hakey's* brand in Asia (except Malaysia and Japan), China, Middle East, Australia and Oceania. This gives the company international expansion opportunities in the long-term. As of today, PIZZA operates *Shakey's* stores in the Philippines and Singapore.

Peri-Peri Charcoal Chicken was acquired in June 2019. It is an emerging fast casual and full-service restaurant brand in the Philippines. The acquisition includes assets and intellectual property relating to the Peri business, including its brand, trade name, and the various proprietary recipes used by the chain to make its trademark *Peri-Peri* chicken.

Potato Corner was acquired in March 2022. The deal included the purchase of assets and intellectual property relating to Potato Corner. *Potato Corner* is one of the leading and most established food kiosk chains in the Philippines with an estimated market share of 18.9% based on data from Euromonitor. Since its inception in 1992, the brand has built a vast network of over 2,000 outlets domestically and has a growing international footprint in Asia and beyond. PIZZA owns the rights and trademarks of the *Potato Corner* brand globally.

Other brands include *R&B milk tea* and *Project Pie.* In August 2020, the Company entered into a master franchise agreement with Singapore-based Koufu Group Ltd to bring the brand *R&B* to the Philippines. *R&B* is one of the leading milk tea and bubble tea players in Singapore. It currently has more than 1,000 outlets worldwide, spanning across China, U.S., Singapore, Cambodia, Vietnam, Malaysia and Indonesia. Under the agreement, PIZZA was awarded the territorial rights to sell *R&B* milk tea, bubble tea, and other specialty tea drinks in the Philippines through stand-alone store formats and co-branding in select *Shakey's* outlets.

With this portfolio, PIZZA is able to serve the A, B, and upper C income classes through its various sales channels, from dine-in to off-premises, which includes carry out and delivery. PIZZA's dine-in segment caters mostly to families and friends who want an affordable upgrade from the usual fast-food dining. At the same time, PIZZA also reaches its guests through its delivery segment as *Shakey's* has an in-house delivery platform. The Group also reaches delivery guests via aggregators.

PIZZA's brands are accessible nationwide through various store formats. For restaurant brands, stores differ in size ranging from 120 sq. m. to 400 sq. m., while kiosk brands have store sizes at 50 sq. m. and below. Smaller stores tend to require lower capital investment. This allows PIZZA flexibility to serve the demand of a specific market, while still achieving the desired profitability.

PIZZA has an in-house commissary that supplies proprietary raw materials and other baked products to its stores. With this vertical integration strategy, product quality is preserved and controlled while also enabling for higher sales margins.

Finally, PIZZA operates a simple business model that is cash generative and requires low upfront costs due to the simplicity of its products. This model enables high financial liquidity and an average payback period of 3 to 5 years for its restaurant brands and 1 to 3 years for its kiosk brands.

b. Key Risks

PIZZA's performance is subject to the broader macroeconomic and geopolitical environment. Uncertain global conditions may dampen consumer sentiment and reduce discretionary spending, which could adversely affect the Company's performance.

PIZZA competes directly and indirectly with both local and foreign full-service, casual dining and fast food stores that offer dine-in, delivery, and catering services nationwide. With the Philippine food service industry being a highly competitive market with low barriers to entry, failure to successfully compete and consistently outperform its peers may adversely affect its business and financial and operational results.

PIZZA's operations may be disrupted by major calamities, including natural disasters, health emergencies, and other force majeure events. Such events may result in temporary closures, supply chain interruptions, and operational setbacks that could materially affect the Company's business performance and financial results.

PIZZA's profitability and operating margins are partially dependent on its ability to anticipate and react to changes in input costs. Rising cost pressures, driven by global supply chain disruptions and inflationary trends, may impact the Company's business and results of operations.

PIZZA's operations depend on the continuous and secure functioning of its information technology systems and digital infrastructure. Cybersecurity threats, including unauthorized access, data breaches, and system disruptions, may compromise the integrity of business operations, expose confidential data, and damage the Company's reputation.

PIZZA's continued growth is highly dependent on its ability to attract, develop, and retain strong leaders and key talent across its organization. Elevated attrition rates and gaps in the leadership bench may hinder succession planning and the execution of the Company's strategic objectives.

PIZZA is committed to maintaining the highest standards in product quality and food safety across all of its stores. Any lapse in product quality or safety standards may expose guests to health risks, lead to regulatory sanctions, and result in significant reputational damage.

PIZZA's growth is partially dependent on the strength of its brands, recognized for high-quality product offerings and world-class guest service, as well as excellent culture and warm ambience of its stores. Any damage to its brand reputation and negative publicity to its stores may have an impact on the business, results of operations, and its prospective plans.

PIZZA is reliant on its franchisees and major partners for the successful management and operations of its franchise stores. In addition, a portion of the company's revenue is derived from royalty and franchise payments. A failure by franchisees or major partners to deliver what is expected of them, or the exit of major brand partners, may significantly harm the image and goodwill of the Group's various brands, as well as adversely affect its business operations and results of operations.

Item 2. Properties

As of December 31, 2025, PIZZA does not own land. PIZZA enters into long-term leases for the properties wherein all its Company-owned stores are constructed while its franchisees have either independent lease agreements for their franchise stores or may own land on which the store is constructed. The Company's lease agreements with its lessors are typically for a term of 10-15 years, renewable upon mutual agreement of the parties.

PIZZA's head office is located at 15km East Service Road corner Marian Road 2, Brgy. San Martin de Porres, Parañaque City, Metro Manila, Philippines.

The Company does not plan to acquire any property in the next 12 months.

Item 3. Legal Proceedings

As of date of this report, the Company is not a party to any litigation or arbitration proceedings of material importance, which could be expected to have a material adverse effect on the Company or on the results of its operations. No litigation or claim of material importance is known to be pending or threatened against the Company or any of its properties.

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

Except for matters taken up during the annual meeting of the stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

a. Market Information

The Company's common shares are traded in the Main Board of The Philippine Stock Exchange, Inc. ("PSE"). The common shares were listed on December 15, 2016.

The following table shows the high and low prices (in pesos per common share) of the Company's shares in the PSE for each quarter within the last 2 years:

Period	High	Low
1st Quarter of 2024	10.72	9.77
2nd Quarter of 2024	10.24	9.40
3rd Quarter of 2024	9.74	9.20
4th Quarter of 2024	9.53	7.86
January 1, 2024 to December 31, 2024	**10.72**	**7.86**
1st Quarter of 2025	8.40	6.62
2nd Quarter of 2025	8.00	6.68
3rd Quarter of 2025	8.19	7.28
4th Quarter of 2025	7.50	6.60
January 1, 2025 to December 31, 2025	**8.40**	**6.60**
January 1, 2026 to March 31, 2026	**7.25**	**6.40**

Source: Daily Quotation Reports of the Philippine Stock Exchange

The market capitalization of the Company's common shares as of end of 2025, based on the closing price of ₱6.80 per share was ₱11,449,569,210. The market capitalization of the Company's common shares as of March 31, 2026, based on the closing price of ₱6.74 per share was ₱11,348,543,600.

b. Holders

Total shares outstanding as of December 31, 2025, is 1,683,760,178 with a par value of ₱1.00.

The number of shareholders of record as of December 31, 2025, was 40. The shareholders as of the same date are as follows:

No.	Name of Shareholder	Number of Shares	% Ownership
1	Century Pacific Group, Inc.	*1,074,069,388	63.79%
2	PCD Nominee Corp. (Filipino)	658,338,501	39.10%
3	PCD Nominee Corp. (Non-Filipino)	136,319,736	8.10%
4	Century Pacific Group, Inc.	40,000,000	2.38%
5	Ma. Luisa P. Lovina	13,766,511	0.82%
6	Leopoldo M. Prieto III	6,882,542	0.41%
7	Jamille P. Torres	3,706,257	0.22%
8	Panda Development Corporation	3,314,264	0.20%
9	Jamille M. P. Torres	3,176,285	0.20%
10	Ma. Consuelo P. Guerrero	2,923,808	0.17%
11	Ma. Pilar P. Lorenzo	2,923,808	0.17%
12	Ma. Cristina P. Moraza	2,923,808	0.17%

No.	Name of Shareholder	Number of Shares	% Ownership
13	Carlos M. Prieto	2,923,808	0.17%
14	Eduardo M. Prieto	2,923,808	0.17%
15	L.L.P. Enterprises, Inc.	2,808,968	0.17%
16	Ma. Ines P. Borromeo	1,943,056	0.12%
17	Ramon Antonio Lluch Prieto Jr. or Pacita Maria Teodora O. Prieto	788,473	0.05%
18	Daniela Ariane Lluch Prieto	788,472	0.05%
19	Gabriela Maxine Lluch Prieto	788,472	0.05%
20	Carousel Holdings, Inc.	50,000	-
21	Python Rock Enterprises	11,100	-
22	Alma Bella Pil Alberastine	2,000	-
23	Percival Byron Salazar Bueser	2,000	-
24	Veronica Aguilar Pedrasa	2,000	-
25	Leopoldo H. Prieto, Jr.	1,427	-
26	Dondi Ron R. Limgenco	1,111	-
27	Christine F. Herrera	1,000	-
28	Gabrielle Claudia F. Herrera	1,000	-
29	John T. Lao	1,000	-
30	Teresa P. Marcelino	1,000	-
31	Celina F. Lucero	400	-
32	Owen Nathaniel S Au ITF: Li Marcus Au	110	-
33	Victor Co and/or Alian Co	100	-
34	Shareholders' Association of the Philippines Inc.	100	-
35	Jesus San Luis Valencia	100	-
36	Gerardo L. Salgado	8	-
37	Joselito T. Bautista	1	-
38	Paulo L. Campos III	1	-
39	Botschaft N. Cheng or Sevilla Ngo	1	-
40	Fernan Victor P. Lukban	1	-

Notes:
**Century Pacific Group, Inc. owns 836,445,141 shares of the Company in its own name and another 237,624,247 shares of the Company lodged under PCD Nominee Corp. (Filipino).*

c. Dividends

Type	Payment Date	Rate (Php)	Record Date
Regular Cash Dividends	August 19, 2025	0.20/share	August 4, 2025

d. Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

The Company did not issue any stocks to its employees as of December 31, 2025.

Item 6. Management's Discussion and Analysis

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of this SEC Form Amended 17-A as "Annex C" and "D". The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

Results of Operations

Key Highlights

- PIZZA reported a full-year 2025 bottomline at ₱816 million, 32% lower versus 2024's recorded net income after tax of ₱1.19 billion, driven by the impact of product improvements, store pre-operating costs, and the impact of soft restaurant sales on the degree of operating leverage. Nonetheless, the company's earnings before interest, taxes, depreciation, and amortization (EBITDA) posted a 1% improvement, illustrating the near-term impact of expansion on profitability, as the Group continues to invest for long-term growth.
- Systemwide sales reached ₱24.76 billion, up 14% year-on-year. PIZZA's 2025 topline growth is supported by same-store sales growth (SSSG) of 1% and a 13% network expansion.

Revenues and Systemwide Sales

In ₱ Millions	**2024 Reported**	**2025 Reported**	**YOY**
Systemwide Sales	21,737	24,764	14%
Net Revenues	14,452	16,050	11%

Systemwide sales, which comprise sales from both company-owned and franchise stores, increased by 14% from ₱21.74 billion to ₱24.76 billion as of end 2025.

Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱16.05 billion, increasing by 11% from reported revenues of ₱14.45 billion for the twelve months ending December 31, 2024.

Cost of Sales

For the year ending 2025, consolidated cost of sales increased by 14% from ₱10.81 billion in 2024 to ₱12.38 billion.

Consolidated costs of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

Gross Profit

Consolidated gross profit amounted to ₱3.67 billion for the full year 2025, broadly in line with the ₱3.64 billion in the previous year. This yielded a gross profit margin of 23%, lower versus the previous year's 25%.

General and Administrative Expenses

For the twelve months ending December 31, 2025, consolidated general and administrative expenses totaled ₱2.34 billion, representing a cost-to-sales ratio of 15%. This is slightly higher versus the cost-to-sales ratio of 14% during the same period in 2024.

Operating Income

Consolidated operating income softened by 19% from ₱1.64 billion in 2024 to ₱1.33 billion in 2025.

Net Interest Expense

Interest expense of ₱494 million was recorded for the twelve months ending December 31, 2025, higher by 20% compared to the 2024 figure of ₱411 million. This was mainly driven by the repricing of a long-term loan in 2025.

Other Income

Other income totaled ₱102 million as of year-end 2025. This is composed mainly of other income from franchisees, service income, provisions and loss from store retirement. This is higher than the ₱32 million reported in 2024.

Net Income

For the year ending 2025, consolidated net income after tax stood at ₱816 million, yielding a net income margin of 5%. This is lower than the 8% margin reported in the previous period.

FY25 Financial Condition

PIZZA had consolidated total assets of ₱20.95 billion as of December 31, 2025, an increase versus total assets of ₱20.38 billion as of end 2024. This was mainly driven by the continued growth in the Company's operations and increase in global network footprint.

Cash and cash equivalents

As of end 2025, cash and cash equivalents totaled ₱1.17 billion. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

Trade and other receivables

Trade and other receivables increased to ₱1.73 billion as of year-end 2025 compared to ₱1.56 billion in 2024.

Inventories

As of December 31, 2025, inventories decreased to ₱1.49 billion from ₱1.76 billion in 2024.

Property, plant, and equipment

Consolidated net property, plant, and equipment stood at ₱2.64 billion as of year-end 2025. Capital expenditure for the year reached ₱1.05 billion, which was primarily invested in both new and existing stores.

Intangible assets

Intangible assets slightly increased at ₱10.45 billion in 2025 from ₱10.35 billion in 2024.

Accounts payable and other current liabilities

Accounts payable and other current liabilities slightly increased to ₱2.35 billion in 2025 from ₱2.21 billion during the previous year.

Loans payable

As of December 31, 2025, the Company's total interest-bearing debt slightly decreased to ₱6.05 billion from ₱6.19 billion during the previous year.

Cash flows

Consolidated net cash provided by operating activities amounted to ₱2.47 billion for the full year 2025, slightly higher versus the previous year's ₱2.35 billion.

Consolidated net cash used in investing activities was ₱1.11 billion. This is mainly attributable to capital expenditures for existing stores and new store openings.

Consolidated net cash used in financing activities was ₱1.51 billion in 2025, which includes loan proceeds net of financing costs and dividend payments.

All in all, cash decreased ₱0.15 billion for the year, leading to cash and cash equivalents balance of ₱1.17 billion at year-end 2025.

Key Performance Indicators (KPIs)

	Full Year 2024	Full Year 2025
Gross Profit Margin	25.2%	22.9%
Before Tax Return on Sales	8.7%	5.9%
Return on Equity	14.2%	9.0%
Net Gearing Ratio	0.55x	0.52x
Current Ratio	1.39x	0.64x

Notes:
1 Gross Profit margin = Gross Profit / Net Revenue
2 Before Tax Return on Sales = Net Profit Before Tax / Net Revenue
3 Return on Equity = Net Income / Average Equity
4 Net gearing ratio = (Interest-bearing debt – Cash) / Total Equity
5 Current Ratio = Total Current Assets / Total Current Liabilities

Item 7. Financial Statements

The Company's financial statements and notes thereto form part of this SEC Form as "Annex C" and Annex "D".

Item 8. Information on Independent Public Accountants

a. External Auditor

SGV & Co., a member firm of Ernst & Young, independent auditors, has audited the Company's financial statements as of and for the year ended December 31, 2025. SGV & Co. has been the Company's Independent Public Accountants since 1975. Christine G. Vallejo is the current audit partner. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period. SGV & Co. has neither shareholdings in us nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in us. SGV & Co. does not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

SGV & Co. has reviewed our pro forma adjustments and the application of those adjustments to the historical amounts in the pro forma condensed consolidated financial information as of December 31, 2025 in accordance with the Philippine Standard on Assurance Engagements 3000, *Assurance Engagements Other than Audits or Review of Historical Financial Information*, and the Philippines Securities and Exchange Commission Memorandum Circular No. 2, Series of 2008, *Guideline on Attestation of Pro Forma Financial Information*. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assumptions, the pro forma adjustments and the application of those adjustments to historical financial information. Accordingly, SGV & Co. does not express such opinion on the pro forma condensed consolidated financial information.

b. Audit Fees

The following table sets out the aggregate fees billed for 2024 and 2025 for professional services rendered by SGV & Co.

Name of Auditor	Audit Fees*		Non-Audit Fees	
	2025	**2024**	**2025**	**2024**
Sycip, Gorres, Velayo, & Co. (a member firm within Ernst & Young)	PhP10,086,000.00	PhP8,806,144.00	-	PhP300,000.00

**includes audit fees rendered by Ernst & Young China for select subsidiaries based in China*

Audit and Non-Audit-Related Fees refer to the professional services rendered by SGV & Co. for audit of the Company's annual financial statements and services that are normally provided in connection with statutory and regulatory filings for the said calendar years.

c. Audit Committee and Policies

In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual provides that the Audit Committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

The Audit Committee consists of three members of the Board of Directors, at least one of whom is an independent director, including the chairman of the committee. The Audit Committee has the following functions:

- Reviews the independent auditors audit plan — discusses scope, staffing, reliance upon management and the internal audit department, general audit approach, and coverage provided to any significant areas of concern that the audit committee may have.

- Reviews and confirms the independence of the external auditors on relationships by obtaining statements from the auditors on the relationships between the auditors and the Company, including non-audit services, and discussing the relationships with the auditors.

- Prior to publishing the year-end earnings, the Audit Committee will discuss the results of the audit with the independent auditors.

- On an annual basis, the audit committee reviews and discusses with the independent auditors all significant relationships they have with the Company that could impair the auditors' independence.

- On a regular basis, the audit committee meets separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

- The Audit Committee reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters: (i) any change/s in accounting policies and practices, (ii) areas where a significant amount of judgment has been exercised, (iii) significant adjustments resulting from the audit, (iv) going concern assumptions, (v) compliance with accounting standards and (vi) compliance with tax, legal and regulatory requirements.

- The Audit Committee also reviews the disposition of the recommendations in the External Auditor's management letter.

The Audit Committee is composed of the following members, the chairman of which is an independent director:

Name	Position
Frances J. Yu	Chairman
Ricardo Gabriel T. Po	Member
Kristine A. Romano	Member

d. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Accountants on Accounting and Financial Disclosure or Changes in Accounting Policies for the period ended December 31, 2025.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

a. Directors, Including Independent Directors, and Executive Officers

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Pursuant to the Company's amended articles of incorporation, the Company's board of directors shall consist of nine members, of whom three are independent directors.

The table below sets forth each member of the Board of Directors as of December 31, 2025:

Name	Age	Nationality	Position
Christopher T. Po	55	Filipino	Chairman
Ricardo Gabriel T. Po	58	Filipino	Vice Chairman
Teodoro Alexander T. Po	56	Filipino	Vice Chairman
Leonardo Arthur T. Po	48	Filipino	Treasurer
Vicente L. Gregorio	60	Filipino	President / Chief Executive Officer
Lance Y. Gokongwei	59	Filipino	Director
Regina Roberta L. Lorenzana	59	Filipino	Independent Director
Kristine A. Romano	42	Filipino	Independent Director
Frances J. Yu	56	Filipino	Independent Director

Christopher T. Po (first elected October 5, 2016) was re-elected as the Company's Chairman on July 03, 2025. He concurrently serves as the Executive Chairman of Century Pacific Food, Inc. and as a Director of Arthaland Corporation (ALCO), a property developer listed on the PSE. He is an independent director of Maya Bank, Inc. and a director of AB Capital and Investment Corporation. Prior to those roles, he was Managing Director for Guggenheim Partners, a U.S. financial services firm where he was in charge of the firm's Hong Kong office. Previously, he was a Management Consultant at McKinsey & Company working with companies in the Asian region. He also worked as the Head of Corporate Planning for JG Summit Holdings, a Philippine-based conglomerate with interests in food, real estate, telecom, airlines and retail. He graduated in 1991 from the Wharton School and College of Engineering of the University of Pennsylvania with dual degrees in Economics (finance concentration) and applied science (system engineering). He holds a Master's Degree in Business Administration from the Harvard University Graduate School of Business Administration. He is a member of the Board of Trustees of the Ateneo de Manila University, serves as a Board member of the Child Protection Network as well as Asia Society Philippines, and is the President of the CPG-RSPO Foundation.

Ricardo Gabriel T. Po (first elected October 5, 2016) was re-elected as the Company's Vice Chairman on July 03, 2025. He concurrently serves as Vice Chairman of Century Pacific Food, Inc. and as Vice Chairman of Arthaland Corporation (ALCO). He was the Executive Vice President and Chief Operations Officer of from 1990 to 2006 and became the Vice Chairman of its Board of Directors in 2006. He graduated magna cum laude from Boston University with a Bachelor of Science degree in Business Management in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School in 2000.

Teodoro Alexander T. Po, (first elected October 5, 2016) was re-elected as the Company's Vice Chairman on July 03, 2025. He concurrently serves as Vice Chairman, President and Chief Executive Officer of Century Pacific Food, Inc. He is also a Member of the Board of Directors of CPG. Since 1990, he has held various positions in CPG. He graduated summa cum laude from Boston University with a Bachelor of Science degree in Manufacturing Engineering in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School.

Leonardo Arthur T. Po, (first elected October 5, 2016) was re-elected as the Company's Director and Treasurer on July 03, 2025, and concurrently serves as the Director and Treasurer of Century Pacific Food, Inc. and President of Pacifica Homes Development Corporation (PHDC). He graduated magna cum laude from Boston University with a degree in Business Administration and has extensive and solid business development experience in consumer marketing, finance and operations of fast-moving consumer goods (FMCG), foodservice, quick-serve restaurants, and real estate development. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School in November 2023.

Vicente L. Gregorio, (first elected October 5, 2016) was re-elected as the Company's Director on July 03, 2025. Mr. Gregorio has also been the Company's President and Chief Executive Officer since March 2013. He has more than 30 of experience in the food business, previously serving as Operations Director in various food service companies prior to assuming the position of Executive Vice President and Chief Operations Officer of the Company in February 2003. He also currently serves as a member of the board of the Philippine Franchise Association, Cavallino, Inc., Don Bosco Technical College, Bosconian International Chamber of Commerce, and Plan Master Insurance and Financial Services, Inc. Mr. Gregorio graduated from Central Colleges of the Philippines with a degree in Bachelor of Science in Electrical Engineering and has earned units in the Business Administration Master's program of the Graduate School of Business at Ateneo de Manila University.

Lance Y. Gokongwei (first elected July 15, 2021) was re-elected as the Company's Director on July 03, 2025. Mr. Gokongwei is the President and Chief Executive Officer and Executive Director of JG Summit Holdings, Inc. since May 14, 2018. He is Chairman of Cebu Air, Inc., Universal Robina Corporation, Robinsons Land Corporation, and Chairman, President and Chief Executive Officer of JG Summit Olefins Corporation effective October 1, 2025. He is a Director and Vice Chairman of Manila Electric Company, Vice Chairman of Maxicare Corporation, and a member of the Advisory Council of Bank of the Philippine Islands since April 2023. He is also a Director of Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, SP New Energy Corporation, and was elected Director of Robinsons Retail Holdings, Inc. on July 25, 2025. He is a Trustee and the Chairman of the Gokongwei Brothers Foundation, Inc. He holds a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Regina Roberta L. Lorenzana was elected as the Company's Independent Director on July 03, 2025. She concurrently serves as a Directors of BetterBrandLabs, Inc. as well as in other privately owned companies. She is the Founder of Nada Debajo S.L. and is an experienced global executive, having held various senior leadership positions, including Global Vice President for Fabric & Fashion at Unilever PLC, Regional Vice President for Deodorants in Asia, Africa & the Middle East, Vice President for Personal Care at Unilever Philippines, and Marketing Director roles in Unilever Indonesia and China. She graduated from Ateneo de Manila University with a degree in BS Management Engineering and has completed executive programs in Sustainability Leadership at the University of Cambridge, Leading Global Brands at Harvard Business School, and several senior executive programs on technology, leadership, and purpose at Harvard Business School and INSEAD. She is a fellow at the International Women's Forum and holds a certification in Corporate Governance from INSEAD.

Kristine A. Romano was elected as the Company's Independent Director on July 03, 2025. She was the former Managing Partner of the Philippine office of McKinsey & Company, where she has over two decades of management consulting experience. She has a track record of advising leading institutions in Southeast Asia towards transformational results, with a focus on finance and consumer-driven industries in the Philippines. Prior to leading the Philippines office of McKinsey, Ms. Romano's work centered on organizational transformation and governance among private and public institutions across Southeast Asia. Ms. Romano graduated from the University of the Philippines with a degree in Bachelor of Science in Business Administration & Accountancy and completed her Master's Degree in International Development at the Harvard Kennedy School of Government.

Frances J. Yu, (first elected August 16, 2018) was re-elected as the Company's Independent Director on July 03, 2025. She concurrently serves as an Independent Director of Century Pacific Food, Inc. She was previously the Chief Retail Strategist of Mansmith and Fielders, Inc., the largest marketing and sales training company in the Philippines. Prior to this, she was the Vice President and Business Unit Head of Rustan's Supermarket and the Vice President and Head of Marketing Operations for Rustan's Supercenters, Inc. She founded FJY Consulting, Inc., a corporate marketing and management consulting company which she managed as President. She was also the Vice President and General Manager of a marketing research and consulting firm catering to the top 500 corporations in several sectors. From 2003 to 2005, she served as the Chairperson for the National Retail Conference and Stores Asia Expo (NRCE) Programs Committee of the Philippine Retailers Association. She graduated summa cum laude from Fordham University, New York with a Bachelor of Arts degree in English Literature. She graduated magna cum laude from Augustine Institute in Denver, with a Master's Degree in Theology.

The table below sets forth the key executive and corporate officers as of December 31, 2025:

Name	Age	Nationality	Designation
Jose Arnold T. Alvero	63	Filipino	Chief Operating Officer and Business Unit Head of Potato Corner
Alois Brielbeck	65	German	General Manager (commissary)
Karina Kellda M. Centeno	41	Filipino	Chief Digital and IT Officer
Jorge Maria Q. Concepcion	70	American and Filipino	Country Head - Potato Corner USA
Kathrina M. David	41	Filipino	Group Supply Chain Director
Charmaine Jodi R. Go	42	Filipino	Chief Marketing Officer - Potato Corner
Vicente L. Gregorio	60	Filipino	President and Chief Executive Officer
Darel G. Pallesco	40	Filipino	Chief Audit Executive
Chuck Pebenito	55	Filipino	Deputy General Manager - Potato Corner USA
Maria Elma C. Santos	50	Filipino	Chief Human Resources Officer
Oliver Angelo C. Sicam	47	Filipino	Shakey's General Manager
Gilbert L. Tolentino	55	Filipino	Corporate Business Development Head
Dino T. Francisco	52	Filipino	Peri Peri General Manager
Yiow L. Tan	52	Singaporean	Group Director for International
Jenifer Mae San Juan-Tecson	41	Filipino	Investor Relations Head and Corporate Strategy and Planning Director
Myrose April C. Victor	42	Filipino	Chief Financial Officer
Maria Rosario L. Ybanez	50	Filipino	Corporate Secretary

Jose Arnold T. Alvero was re-appointed as the Corporation's Chief Operating Officer and Business Unit Head of Potato Corner on July 3, 2025. He was the Vice President - International Operations & Director for Franchise & Business Development in January 2020. He is a hospitality professional with more than 35 years of transnational experience in Hotel Operations, Restaurant General Management, Franchising, Business Development, Guest Service Management, and Strategic Planning. Prior to his new appointment, he was the Business Unit General Manager for Franchised Store Operations as well as Director for Franchise and Business Development where he led the store network expansion & growth of Shakey's Philippines outside of Metro Manila and developed the Franchise ACE program for its esteemed franchisees. Prior to that, he was Planning and Business Development Director of Shakey's Philippines wherein he strengthened the brand's Countrywide Development Plan and steered the company's Business Development team. Before joining Shakey's Philippines, he was the Corporate Franchising and Channel Development Head of One Food Group and oversaw the development of the Tokyo and Mister Donut franchising programs. Before that, he also served as Regional Business Unit (RBU) General Manager for both Company-Owned and Franchised stores for Mister Donut. He also had stints in Red Ribbon Bakeshop, Inc., McDonald's Philippines, The Palace Hotel, Beijing, and The Mandarin Oriental, Manila in various managerial capacities in Operations and Guest Services early in his career. He graduated cum laude from the University of the Philippines with a degree in Bachelor of Science in Hotel and Restaurant,

Alois Brielbeck, has been the General Manager of the Company's in-house commissary since October 2005. He moved to the Philippines in February 2000 as the Chief Operating Officer for Culinary Systems Specialists Inc., a company involved in the production of bakery products to both local and export markets. He has held key positions in pastry kitchens in Hong Kong and Tokyo, Japan before moving to the Philippines. Mr. Alois Brielbeck is a fully qualified Baker with a Baker Master Diploma from the Master School of Lochham in Munich, Germany.

Karina Kellda M. Centeno, has been re-appointed as the Corporation's Chief Digital and IT Officer on July 3, 2025. Ms. Centeno joined Shakey's in March 2020 as the Delivery Business Unit Head providing leadership in all aspects of Shakey's Delivery Business Unit. Ms. Centeno served as Chief Operating Officer of Storm Technologies prior to joining the Company and has 15 years of leadership roles in various companies which includes Unilever Philippines. She was also the co-owner/co-founder of a Filipino restaurant group franchise where she plays a key role in the business expansion plans. Ms. Centeno graduated magna cum laude with a Bachelor's Degree in Management at the Ateneo de Manila University.

Jorge Maria Q. Concepcion, has been elected as Country Head - Potato Corner USA in July 15, 2025. He has been the Company's General Manager since his repatriation from the U.S. in 2014. He previously held the position of Executive Vice-President & General Manager in Gallo Giro (a Mexican restaurant chain in California), Red Ribbon Bakeshop, Inc. (U.S. and the Philippines) and Goldilocks Corp. of California. Before entering the foodservice retail industry, Mr. Concepcion started in the Branded Foods FMCG business where he worked for various Unilever Asia affiliates in the Philippines, Malaysia and Singapore in different capacities in marketing, sales, corporate planning and general management. He first repatriated to the Philippines in 1996 with the ConAgra joint-venture company, Hunts-URC. He then subsequently and concurrently headed URC-Dairy Product Division and URC-Food Service Division before eventually migrating to the U.S. in 2006. He has a degree in Bachelor of Arts (Honors) in Mathematics from De La Salle University and has a Master of Science in Industrial Engineering and Operations Research from the University of the Philippines.

Kathrina M. David was elected as the Group Supply Chain Director on July 3, 2025. Ms. David brings in approximately 15 years of experience in Procurement, Audit and Accounting. She was formerly the Shared Services Manager for the Company, handling Corporate Procurement and Administrative Shared Services. Ms. David holds a Bachelor's Degree in Accountancy from Holy Angel University and is a Certified Purchasing Professional.

Charmaine Jodi R. Go was elected as the Chief Marketing Officer for Potato Corner on July 03, 2025. Ms. Go has more than 12 years of Marketing Leadership experience in FMCG and most significant in Food Retail. Her core expertise lies in strategic marketing, brand management, product innovation and marketing program execution. Her wide expertise spanned careers at Southeast Asia Food Inc./NutriAsia, Inc., Fresh and Famous Foods Inc. as Senior Brand Manager for Brand and Retail, and Philippine Airlines, as Marketing Director. She holds a double degree Major: Bachelor of Arts major in Psychology and Bachelor of Science major in Business Management and graduated with honors from De La Salle University.

Darel G. Pallesco, was re-appointed as the Corporation's Chief Audit Executive on July 3, 2025. Mr. Pallesco has been heading the Corporate Internal Audit since he joined the Company in 2014. He started his career with SGV & Co. in 2006 as an internal auditor and continued through it with multinational companies such as Johnson & Johnson, Philip Morris and Luen Thai where he primarily audited and contributed on facets of governance, risk management and internal controls. He earned his degree of Bachelor of Science in Accountancy from San Sebastian College-Recoletos in 2005 and is a Certified Public Accountant (CPA) and a Certified Internal Auditor (CIA).

Chuck Pebenito was elected as the Deputy General Manager of Potato Corner on August 14, 2025. He has more than 35 years of leadership experience in the restaurant industry. Over the past two decades in the United States, he has held leadership and advisory roles including Financial Analyst, Operations Consultant, and Director of Operations, supporting brands such as Popeyes Louisiana Kitchen, Applebee's, and Burger King. He began his career at Shakey's Malate in the Philippines as a restaurant crew member and advanced into management roles before joining Kenny Rogers Roasters as an Operations Officer. He later helped lead the opening of Seattle's Best Coffee in the Philippines. He holds an MBA and an MS in Management from the Gies College of Business at the University of Illinois Urbana-Champaign, with concentrations in Mergers & Acquisitions and Global Challenges in Business.

Maria Elma C. Santos, was re-appointed as the Corporation's Chief Human Resources Officer on July 3, 2025. She was the Company's General Manager for Peri Peri Business Unit, and was previously the Guest Engagement Director in 2015, and General Manager of Project Pie from 2016 to 2017. In mid of 2017, she became the Company's Delivery Systems Head and thereafter, became the HR Division of the Company until mid-2019. She earned her Master's Degree in Business Administration from the Ateneo-Regis Program.

Oliver Angelo C. Sicam was re-appointed as the Shakey's General Manager on July 3, 2025. Mr. Sicam has built his expertise in market development, brand and category strategy, brand communication & innovation from various industries in local, regional and global roles. Prior to joining the Company, he pursued and deepened his experience in the social impact space, as the Managing Director of Generation Hope, Inc., where he oversaw Sales, Marketing, Operations, Accounting and HR functions. He was also the Marketing & Strategy Director for Plastic Credit Exchange, the first Global Non-profit Plastic Offset Program. Early in his career, he held various leadership roles in several industry leaders such as Unilever in the Philippines, UK, and Brazil, and multiple brands for Jollibee Foods Corporation.

Yiow Leong Tan, was re-appointed as the Company's Group Director for International on July 3, 2025. Mr. Tan has more than 25 years of transnational experience in Business Development, Market Development, and Investment & Asset Management. Before joining the Company, he was the Business Development Director – International Franchise for Minor Food Group where he spearheaded the growth of the Group's brand in the international market. Prior to that, he held various posts in Yum! Brands, Inc., a U.S. Fortune 500 company that operates quick service restaurants including KFC, Pizza Hut and Taco Bell. His last post was as a Consultant for KFC Asia Development, where he led regional franchise teams to enable sustainable and profitable growth in the region. He also had stints in Metro Group AG, Focus Brands International, Capitaland Retail Limited, Shell Oil Company and Deutsche Bank AG in various managerial capacities early in his career. Mr. Tan is a graduate of London School of Economics and Political Science where he finished a Bachelor of Science in Economics and subsequently earned a Master of Science in Economics in the same school.

Gilbert L. Tolentino*,* was re-appointed as the Company's Group Business Development Director on July 3, 2025. He was previously the Business Unit Director and R&B Tea General Manager. Mr. Tolentino has 37 years of experience in the food industry and has handled different departments like Operations, Training, Organization Development, Franchising, Business Development, and Technical Services. Previously the Group Training Manager for Pancake House, Dencio's, and Teriyaki Boy. Mr. Tolentino has been with the Company for 18 years.

Dino T. Francisco was re-appointed as the General Manager of Peri Peri on July 3, 2025. Mr. Francisco is an accomplished executive with extensive experience in food service, consumer retail, and strategic management consulting. He has held leadership positions in Goldilocks Bakeshop, Dunkin' Donuts Philippines, Generika Drugstore, and Vista Malls, where he successfully drove business growth, operational improvements, and brand development. He has been instrumental in expanding retail networks, enhancing operational efficiencies, and pioneering innovative business strategies. His leadership at Goldilocks saw the successful management of over 800 retail stores, as well as generated a new revenue stream for its manufacturing operations. While at Dunkin' Donuts, he spearheaded initiatives that resulted in significant revenue growth and brand revitalization. His expertise also extends to commercial leasing, having overseen leasing operations for SM Supermalls and Vista Malls.

Jenifer Mae San Juan-Tecson was re-appointed as the Investor Relations Head on July 3, 2025. Ms. Tecson has been serving under the Company's Investor Relations team since 2021, playing key roles in stakeholder management, Mission Inspire, corporate acquisitions and public relations. Her efforts have earned her and the Company multiple regional Investor Relations awards and recognition these last few years. Ms. Tecson holds a degree in Business Administration and Accountancy from University of the Philippines Diliman.

Myrose April C. Victor*,* was appointed as the Chief Financial Officer on July 15, 2025. Ms. Victor has close to 20 years of work experience in Finance and Accounting, Planning, Systems Implementation and General Management functions in various industries such as food retail, banking and energy. Prior to joining the Company, Ms. Victor was the Head of Finance for DOLE's Packaged Division, heading the functions of Finance Planning and Controllership for the Philippines and Other Distributor Markets. Ms. Victor also held various roles in general and finance management, leading transformation and turnaround projects for companies in the food, banking and energy industries. She graduated magna cum laude in 2005 from the University of the Philippines with a degree in Bachelor of Science in Business Administration and Accountancy. Ms. Victor also completed her Global Master in Finance from the IE Business School in 2019.

Maria Rosario L. Ybanez, was re-appointed as the Company's Corporate Secretary on July 3, 2025. She concurrently serves as the Legal Counsel and Compliance Officer of Century Pacific Food, Inc. Atty. Ybanez graduated with a Bachelor of Arts degree in Legal Management from the Ateneo de Manila University and obtained her J.D. from the Ateneo de Manila School of Law.

b. Family Relationships

Mr. Christopher T. Po, Mr. Ricardo Gabriel T. Po, Mr. Teodoro Alexander T. Po and Mr. Leonardo Arthur T. Po are brothers. Aside from the foregoing, there are no family relationships between any Directors and any members of the Company's senior management as of December 31, 2025.

c. Involvement in Certain Legal Proceedings

None of the directors and officers have been involved in any bankruptcy proceeding, nor have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment, or decree of competent jurisdiction, permanent or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or found in action by any court or administrative bodies to have violated a securities of commodities law, for the past five (5) years up to the latest date.

As of date of this report, the Company is not a party to any litigation or arbitration proceedings of material importance, which could be expected to have a material adverse effect on the Company or on the results of its operations. No litigation or claim of material importance is known to be pending or threatened against the Company or any of its properties.

Item 10. Executive Compensation

a. General

The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

No director should participate in deciding on his remuneration.

The Company may, in exceptional cases, e.g., when the Company is under receivership or rehabilitation, regulate the payment of compensation, allowances, fees and fringe benefits to its directors and officers.

b. Summary Compensation Table

CEO and five other most highly compensated executive officers:

Name	Principal Position	Year	Compensation
Vicente L. Gregorio	President & CEO	2025	₱63,596,187
Jorge Maria Q. Concepcion	Country Head - Potato Corner USA		
Myrose April C. Victor	Chief Financial Officer		
Oliver Angelo T. Sicam	General Manager – Shakey's		
Jose Arnold T. Alvero	Chief Operating Officer and Business Unit Head of Potato Corner		
Yiow L. Tan	Group Director for International		

Compensation of Directors and Officers as a Group:

Name	Principal Position	Year	Compensation
Aggregate compensation paid to all executive officers and directors as a group unnamed		2025	₱224,589,481

c. Compensation of Directors

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	None		
(b) Variable Remuneration	None		
(c) Per diem Allowance	None		₱200,000-333,333
(d) Bonuses	None		
(e) Stock Options and/or other financial instruments	None		
(f) Others (Specify)	None		

Other Benefits	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
1) Advances	None		
2) Credit granted			
3) Pension Plans /			
(d) Pension Plans, Obligations incurred			
(e) Life Insurance Premium			
(f) Hospitalization Plan			
(g) Car Plan			
(h) Others (Specify)			

d. Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

There are no special employment contracts or other arrangements between the Company and its officers or directors.

e. Warrants and Options Outstanding

There are no outstanding warrants or options held by any of the Company's officers or directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

a. Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2025, the following were owners of more than 5% of the Company's outstanding shares:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% to Total Outstanding
Common	Century Pacific Group, Inc. / 7F Centerpoint Building, Julia Vargas Avenue, Ortigas Center, Pasig City / Stockholder of Record	Ricardo Gabriel T. Po, Chairman Christopher T. Po, President Teodoro Alexander T. Po, Chief Operating Officer Leonardo T. Po, Director	Filipino	*1,074,069,388	63.79%
Common	PCD Nominee Corp. (Non-Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	Please see BDO Report as December 31, 2025 attached as Annex “A-1”	Non-Filipino	136,319,736	8.09%
Common	PCD Nominee Corp. (Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	Please see BDO Report as of December 31, 2025 attached as Annex “A-1”	Filipino	658,338,501	39.09%

Notes:
**Century Pacific Group, Inc. owns 836,445,141 shares of the Company in its own name and another 237,624,247 shares of the Company lodged under PCD Nominee Corp. (Filipino).*

Summary of trading in the Company Shares by the Directors and Key Officers for the last Financial Year:

	Security	Balance as December 31, 2024	Addition	Disposal	Balance as of December 31, 2025
Directors					
Christopher T. Po	Common	1	-	-	1
Ricardo Gabriel T. Po	Common	1	-	-	1
Teodoro Alexander T. Po	Common	1	-	-	1
Leonardo Arthur T. Po	Common	1	-	-	1
Vicente L. Gregorio	Common	2,692,989	71,200	-	2,764,189
Lance Y. Gokongwei	Common	100	-	-	100
Regina Roberta L. Lorenzana	Common	100	-	-	100
Kristine A. Romano	Common	1000	-	-	1000
Frances J. Yu	Common	1	-	-	1
Officers					
Jose Arnold T. Alvero	Common	75,555	-	-	75,555
Alois Brielbeck	Common	359,600	-	-	359,600
Karina Kellda M. Centeno	Common	-	-	-	-
Jorge Maria Q. Concepcion	Common	649,245	-	-	649,245
Kathrina M. David	Common	4,189	-	-	4,189
Dino T. Francisco	Common	-	-	-	-
Charmaine Jodi R. Go	Common	-	-	-	-
Darel G. Pallesco	Common	-	-	-	-
Chuck Pebenito	Common	-	-	-	-
Maria Elma C. Santos	Common	-	-	-	-
Oliver Angelo C. Sicam	Common	26,300	30,000	-	56,300
Gilbert L. Tolentino	Common	-	-	-	-
Yiow L. Tan	Common	-	-	-	-
Jenifer Mae San Juan-Tecson	Common	2,500	-	-	2,500
Myrose April C. Victor	Common	5,000	-	-	5,000
Maria Rosario L. Ybanez	Common	-	-	-	-

b. Security Ownership of the Board of Directors and Senior Management

The following are the number of shares owned of record by the Directors and Key Officers of the Company as of December 31, 2025.

Name of Beneficial Owner	Title of Class	Citizenship	Amount and Beneficial Ownership		% of Capital Stock
			Number of Direct shares	Number of Indirect shares	
Ricardo Gabriel T. Po	Common	Filipino	1	-	-
Teodoro Alexander T. Po	Common	Filipino	1	-	-
Christopher T. Po	Common	Filipino	1	-	-
Leonardo Arthur T. Po	Common	Filipino	1	-	-
Vicente L. Gregorio	Common	Filipino	2,764,189	-	-
Lance Y. Gokongwei	Common	Filipino	100	-	-
Regina Roberta L. Lorenzana	Common	Filipino	100	-	-
Kristine A. Romano	Common	Filipino	1,000	-	-
Frances J. Yu	Common	Filipino	1	-	-
Myrose April C. Victor	Common	Filipino	5,000	-	-
Maria Rosario L. Ybanez	Common	Filipino	-	-	-
Jorge Maria Q. Concepcion	Common	American	649,245	-	-
Jose Arnold T. Alvero	Common	Filipino	75,555	-	-
Alois Brielbeck	Common	German	359,600	-	-
Karina Kellda M. Centeno	Common	Filipino	-	-	-
Kathrina M. David	Common	Filipino	4,189	-	-
Charmaine Jodi R. Go	Common	Filipino	-	-	-
Darel G. Pallesco	Common	Filipino	-	-	-
Chuck Pebenito	Common	Filipino	-	-	-
Maria Elma C. Santos	Common	Filipino	-	-	-
Oliver Angelo C. Sicam	Common	Filipino	56,300	-	-
Gilbert L. Tolentino	Common	Filipino	-	-	-

Name of Beneficial Owner	Title of Class	Citizenship	Amount and Beneficial Ownership		% of Capital Stock
			Number of Direct shares	Number of Indirect shares	
Dino T. Francisco	Common	Filipino	-	-	-
Yiow L. Tan	Common	Singaporean	-	-	-
Jenifer Mae San Juan-Tecson	Common	Filipino	2,500	-	-
		TOTAL	**3,917,783**	**-**	**-**

c. Voting Trust Holder of 5% or more

As of December 31, 2025, there are no persons holding more than 5.0% of a class of shares under a voting trust or similar agreement.

d. Changes in Control

There are no arrangements which may result in a change in control of the Registrant as of December 31, 2025.

Item 12. Certain Relationships and Related Transactions

The Company is a subsidiary of Century Pacific Group, Inc. (CPGI) and is a member of Century Pacific Group, Inc.'s Group of Companies (the Group). As of December 31, 2025, CPGI holds 63.79% of the outstanding shares of the Company.

The Company and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the Group and other companies controlled by the Po Family.

The most significant of these transactions would include:

a) 25-year lease agreement with CPGI on a property in Paranaque City, Metro Manila where the Company's commissary plant is located.
b) Purchase of raw materials from Century Pacific Food, Inc.
c) Sale of raw materials and toll packing, as well as purchase of raw materials from The Pacific Meat Company, Inc., also a subsidiary of Century Pacific Food, Inc.

The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

Further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, can be found in the notes to the Company's financial statements.

PART IV - EXHIBITS AND SCHEDULES

The Company has eight (8) subsidiaries as of December 31, 2025:

Subsidiary	Business	% Ownership	Country of Residence
Bakemasters, Inc.	Manufactures and distributes fresh, frozen, pan-baked and baked breads, pastries, cakes, desserts, confectionery items, pie crusts, and party shells.	100	Philippines
Shakey's International Limited	Holds Shakey's trademarks and license to operate in the ASEAN region.	100	Hong Kong
Wow Brand Holdings, Inc.	Operates Peri Peri Charcoal Chicken and Sauce Bar restaurants	100	Philippines
Shakey's Seacrest Inc.	Trademark holding company	100	Philippines
Shakey's Pizza Regional Foods Limited	Operates Shakey's franchising activities outside of the Philippines	100	Hong Kong
Shakey's Pizza Commerce, Inc.	Buys, sells, and distributes goods and merchandise to Shakey's stores	100	Philippines
PC International Pte. Ltd.	Operates Potato Corner's franchising activities outside of the Philippines and holds Potato Corner trademarks outside of the Philippines.	100	Singapore
SPAVI International USA	Operate stores and franchises, and market Shakey's Group's products and brands	100	United States of America

Item 13. Exhibits and Reports on SEC Form 17-C:

Reports on SEC Form 17-C:

Date	Subject of Report
February 18, 2025	Resignation of Rommel M. Turbanos as General Manager of Peri-Peri effective February 18, 2025
February 18, 2025	Appointment of Dino Francisco as General Manager of Peri-Peri effective February 18, 2025
March 11, 2025	Clarification of News Report: Shakey's to Build 20 New Stores This Year
March 20, 2025	Press Release: 50 Years of Growth, Evolution, and Pizza
March 21, 2025	Clarification of News Report: SPAVI plans around P1-B capex to drive 2025 growth
March 24, 2025	Notice of Annual Stockholders' Meeting
April 22, 2025	Press Release: Shakey's Pizza Delivers 11% Profit Growth in 2024; 4Q24 Acceleration Drives Full Year Systemwide Sales Increase to 17%
April 24, 2025	Appointment of Karina Kellda M. Centeno as Chief Digital and IT Officer effective April 23, 2025
April 30, 2025	Annual Report (SEC Form 17-A)
April 30, 2025	Amendment to the Annual Report (SEC Form 17-A)
May 06, 2025	Approval of the Securities and Exchange Commission (SEC) to the

Date	Subject of Report
	amendment to the By-Laws
May 14, 2025	Press Release: Shakey's Pizza Systemwide Sales Grows 17% In 1Q25; On the Back of Global Network Expansion and Same-Store Sales Growth
May 20, 2025	Promotion of Myrose April Victor to Chief Financial Officer effective May 20, 2025; Promotion of Jenifer Mae San Juan-Tecson as Officer-in-Charge for Investor Relations.
May 22, 2025	Amendment to Notice of Annual Stockholders' Meeting
June 2, 2025	Integrated Annual Corporate Governance Report for the year 2024
June 10, 2025	Postponement of the 2025 Annual Stockholders' Meeting
June 10, 2025	Amendment to Notice of Annual Stockholders' Meeting
June 18, 2025	Press Release: Shakey's Pizza: Creating Opportunities, Empowering Abilities
June 19, 2025	Material Information/Transactions: Incorporation of Subsidiary in the United States of America
July 3, 2025	Declaration of Regular Cash Dividends to all stockholders of record as of August 04, 2025, payable on August 19, 2025
July 3, 2025	Results of the Annual Stockholders Meeting
July 3, 2025	Results of the Organizational Meeting of the Board of Directors
July 3, 2025	Material Information/Transactions: Amendment to the Incorporation of Subsidiary in the United States of America
July 10, 2025	Amendment of the Results of the Organizational Meeting of the Board of Directors
July 15, 2025	Retirement, Change in Designation and Appointment of Officers
August 7, 2025	Press Release: Shakey's Pizza Delivers 15% Systemwide Sales Growth In 1H25, Continues Investments in Network Expansion and Major Brand Building to Scale
September 3, 2025	Press Release: Potato Corner Debuts in Taiwan with Fujin Tree
November 14, 2025	Press Release: Shakey's Pizza Systemwide Sales Grows 14% Despite Muted Discretionary Spending

Reports on SEC Form 17-Q

Date Filed	Subject of Report
May 15, 2025	First Quarter Results
August 07, 2025	Second Quarter Results
August 08, 2025	Amended Second Quarter Results
November 14, 2025	Third Quarter Results

SIGNATURES

Pursuant to the requirement of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized PASIG CITY on APRIL 15, 2026.

By:

Vicente L. Gregorio
Principal Executive Officer

Oliver Angelo C. Sicam
Principal Operating Officer

Myrose April C. Victor
Principal Financial Officer

Maria Rosario L. Ybanez
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 15th day of APRIL 2026 affiant(s) exhibiting to me his/their valid IDs as follows:

NAMES	IDENTIFICATION
Vicente L. Gregorio	TIN No. 115-733-046
Olive Angelo C. Sicam	TIN No. 202-573-950
Myrose April C. Victor	TIN No. 223-740-964
Maria Rosario L. Ybanez	TIN No. 216-466-794

Doc. No. 186;
Page No. 39;
Book No. II;
Series of 2026.

ATTY. ANA KRISTINA R. ENDAYA NOTARY PUBLIC ROLL NO. 72700 PASIG CITY, PHILIPPINES

ATTY. ANA KRISTINA R. ENDAYA
Notary Public for Pasig City
Roll No. 72700
Appointment No. 184 (2025-2026); expires on 31 December 2026
7th Floor, Centerpoint Building Julia Vargas corner
Garnet Street Ortigas Business Center, Pasig City
IBP No. 578088 dated 30 December 2025
PTR No. AA-3963442 dated 06 January 2026; Pasig City
MCLE Compliance No. VIII - 0018073 valid until 14 April 2028

ANNEX A

List of Stockholders

COMPANY NAME : SHAKEY`S PIZZA ASIA VENTURES INC.

LIST OF TOP 100 STOCKHOLDERS
As Of December 31, 2025

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES PARTIALLY PAID	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
CENTURY PACIFIC GROUP, INC.	796,445,141	0	796,445,141	47.302
PCD NOMINEE CORP. (FILIPINO)	658,338,501	0	658,338,501	39.099
PCD NOMINEE CORP. (NON-FILIPINO)	136,319,736	0	136,319,736	8.096
CENTURY PACIFIC GROUP INC.	40,000,000	0	40,000,000	2.376
MA. LUISA P. LOVINA	13,766,511	0	13,766,511	0.818
LEOPOLDO M. PRIETO III	6,882,542	0	6,882,542	0.409
JAMILLE P. TORRES	3,706,257	0	3,706,257	0.220
PANDA DEVELOPMENT CORPORATION	3,314,264	0	3,314,264	0.197
JAMILLE M. P. TORRES	3,176,285	0	3,176,285	0.189
MA. CONSUELO P. GUERRERO	2,923,808	0	2,923,808	0.174
MA. PILAR P. LORENZO	2,923,808	0	2,923,808	0.174
MA. CRISTINA P. MORAZA	2,923,808	0	2,923,808	0.174
CARLOS M. PRIETO	2,923,808	0	2,923,808	0.174
EDUARDO M. PRIETO	2,923,808	0	2,923,808	0.174
L.L.P. ENTERPRISES, INC.	2,808,968	0	2,808,968	0.167
MA. INES P. BORROMEO	1,943,056	0	1,943,056	0.115
RAMON ANTONIO LLUCH PRIETO JR. OR PACITA MARIA TEODORA O. PRIETO	788,473	0	788,473	0.047
DANIELA ARIANE LLUCH PRIETO	788,472	0	788,472	0.047
GABRIELA MAXINE LLUCH PRIETO	788,472	0	788,472	0.047
CAROUSEL HOLDINGS, INC.	50,000	0	50,000	0.003
PYTHON ROCK ENTERPRISES INC	11,100	0	11,100	0.001
ALMA BELLA PIL ALBERASTINE	2,000	0	2,000	0.000
PERCIVAL BYRON SALAZAR BUESER	2,000	0	2,000	0.000
VERONICA AGUILAR PEDRASA	2,000	0	2,000	0.000
LEOPOLDO H. PRIETO, JR.	1,427	0	1,427	0.000
DONDI RON R. LIMGENCO	1,111	0	1,111	0.000
CHRISTINE F. HERRERA	1,000	0	1,000	0.000
GABRIELLE CLAUDIA F. HERRERA	1,000	0	1,000	0.000
JOHN T. LAO	1,000	0	1,000	0.000
TERESA P. MARCELINO	1,000	0	1,000	0.000
CELINA F. LUCERO	400	0	400	0.000
OWEN NATHANIEL S AU ITF: LI MARCUS AU	110	0	110	0.000
VICTOR CO AND/OR ALIAN CO	100	0	100	0.000
SHAREHOLDERS` ASSOCIATION OF THE PHILIPPINES, INC.	100	0	100	0.000
JESUS SAN LUIS VALENCIA	100	0	100	0.000
GERARDO L. SALGADO	8	0	8	0.000
JOSELITO T. BAUTISTA	1	0	1	0.000
PAULO L. CAMPOS III	1	0	1	0.000
BOTSCHAFT N. CHENG OR SEVILA NGO	1	0	1	0.000
FERNAN VICTOR P. LUKBAN	1	0	1	0.000
GRAND TOTAL (40)	1,683,760,178	0	1,683,760,178	

THIS IS A COMPUTER GENERATED REPORT AND IF ISSUED WITHOUT ALTERATION, DOES NOT REQUIRE ANY SIGNATURE.

PIZZA0000000_12292025

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 29, 2025

PIZZA0000000

BPNAME	QUANTITY
A & A SECURITIES, INC.	16,601,619
A. T. DE CASTRO SECURITIES CORP.	576,800
AAA SOUTHEAST EQUITIES, INCORPORATED	27,100
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	31,151,210
AB CAPITAL SECURITIES, INC.	319,665,483
ABACUS SECURITIES CORPORATION	301,767
ALAKOR SECURITIES CORPORATION	15,000
ALPHA SECURITIES CORP.	160,900
ANSALDO, GODINEZ & CO., INC.	28,100
AP SECURITIES INCORPORATED	264,700
APEX PHILIPPINES EQUITIES CORPORATION	17,000
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	2,000
ASIASEC EQUITIES, INC.	111,400
ASTRA SECURITIES CORPORATION	30,000
AURORA SECURITIES, INC.	47,600
BANK OF COMMERCE - TRUST SERVICES GROUP	124,000
BDO SECURITIES CORPORATION	5,470,783
BELSON SECURITIES, INC.	55,200
BERNAD SECURITIES, INC.	140,700
BPI SECURITIES CORPORATION	10,606,039
CAMPOS, LANUZA & COMPANY, INC.	396,600
CENTURY SECURITIES CORPORATION	27,000
CHINA BANK SECURITIES CORPORATION	312,500
CITIBANK N.A.	52,855,910
CNN SECURITIES, INC.	133,300
COL Financial Group, Inc.	12,976,066
CTS GLOBAL EQUITY GROUP, INC.	3,100
CUALOPING SECURITIES CORPORATION	30,000
DA MARKET SECURITIES, INC.	47,000
DAVID GO SECURITIES CORP.	882,400
DEUTSCHE BANK MANILA-CLIENTS A/C	10,540,209
DIVERSIFIED SECURITIES, INC.	144,500
DRAGONFI SECURITIES, INC.	43,228
E. CHUA CHIACO SECURITIES, INC.	86,600
EAGLE EQUITIES, INC.	32,000
EAST WEST CAPITAL CORPORATION	10,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	215,200
EQUITIWORLD SECURITIES, INC.	86,200
EVERGREEN STOCK BROKERAGE & SEC., INC.	137,913
F. YAP SECURITIES, INC.	51,800
FIDELITY SECURITIES, INC.	4,500
FIRST INTEGRATED CAPITAL SECURITIES, INC.	9,000

FIRST METRO SECURITIES BROKERAGE CORP.	9,762,453
FIRST ORIENT SECURITIES, INC.	35,000
G.D. TAN & COMPANY, INC.	191,000
GLOBALINKS SECURITIES & STOCKS, INC.	23,467
GOLDSTAR SECURITIES, INC.	5,000
GUILD SECURITIES, INC.	9,100
H. E. BENNETT SECURITIES, INC.	2,000
I. B. GIMENEZ SECURITIES, INC.	1,000
IGC SECURITIES INC.	46,400
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	12,900
INTRA-INVEST SECURITIES, INC.	45,800
INVESTORS SECURITIES, INC,	128,700
JSG SECURITIES, INC.	8,000
LANDBANK SECURITIES, INC.	51,500
LARRGO SECURITIES CO., INC.	10,000
LOPEZ, LOCSIN, LEDESMA & CO., INC.	17,500
LUCKY SECURITIES, INC.	25,000
LUNA SECURITIES, INC.	2,600
LUYS SECURITIES COMPANY, INC.	16,200
MANDARIN SECURITIES CORPORATION	14,004,811
MAYBANK SECURITIES, INC.	1,220,102
MBTC - TRUST BANKING GROUP	3,473,920
MDR SECURITIES, INC.	15,800
MERCANTILE SECURITIES CORP.	5,000
MERIDIAN SECURITIES, INC.	56,300
META CAPITAL SECURITIES INC	123,600
MOUNT PEAK SECURITIES, INC.	1,000
NEW WORLD SECURITIES CO., INC.	127,500
OPTIMUM SECURITIES CORPORATION	167,100
PAN ASIA SECURITIES CORP.	3,000
PAPA SECURITIES CORPORATION	21,338,031
PHILIPPINE EQUITY PARTNERS, INC.	155,298,164
PHILSTOCKS FINANCIAL INC	796,170
PLATINUM SECURITIES, INC.	15,000
PNB SECURITIES, INC.	221,000
PREMIUM SECURITIES, INC.	29,000
QUALITY INVESTMENTS & SECURITIES CORPORATION	312,000
R & L INVESTMENTS, INC.	1,333
R. COYIUTO SECURITIES, INC.	79,900
R. NUBLA SECURITIES, INC.	36,000
R. S. LIM & CO., INC.	6,000
RCBC SECURITIES, INC.	257,600
REGINA CAPITAL DEVELOPMENT CORPORATION	96,500
REGIS PARTNERS, INC.	20,601,816
RTG & COMPANY, INC.	53,200
S.J. ROXAS & CO., INC.	1,398,800
SALISBURY SECURITIES CORPORATION	210,600
SARANGANI SECURITIES, INC.	11,600

SB EQUITIES,INC.	592,000
SECURITIES SPECIALISTS, INC.	99,600
SINCERE SECURITIES CORPORATION	100
SOLAR SECURITIES, INC.	243,800
STANDARD CHARTERED BANK	74,273,293
STANDARD SECURITIES CORPORATION	135,000
STERLING BANK OF ASIA TRUST GROUP	5,800
STRATEGIC EQUITIES CORP.	11,000
SUMMIT SECURITIES, INC.	573,600
SunSecurities, Inc.	33,500
TANSENGCO & CO., INC.	167,000
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	80,100
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	10,964,400
TIMSON SECURITIES, INC.	24,600
TOWER SECURITIES, INC.	6,240,000
TRITON SECURITIES CORP.	43,100
UNICAPITAL SECURITIES INC.	242,815
UOB KAY HIAN SECURITIES (PHILS.), INC.	5,197,500
UPCC SECURITIES CORP.	29,100
VALUE QUEST SECURITIES CORPORATION	109,900
VENTURE SECURITIES, INC.	21,700
WEALTH SECURITIES, INC.	686,835
WESTLINK GLOBAL EQUITIES, INC.	26,600
YAO & ZIALCITA, INC.	80,000
TOTAL LODGED SHARES	**794,658,237**

ANNEX B

Sustainability Report

PIZZA Sustainability Report 2025

Table of Contents

Sustainability at Shakey's

About This Chapter

This chapter provides information on SPAVI's consolidated environmental and social performance from January to December 2025, in alignment with our financial year.

This chapter aggregates all data points and information disclosed under each sustainability focus area to cover all businesses under SPAVI: Shakey's Pizza, PeriPeri, Project Pie, R&B, and Potato Corner. This includes all our company-owned stores, commissaries, and corporate support offices in the Philippines and internationally.

We have prepared our sustainability disclosures and annual report using the latest 2021 GRI Standards. As part of our ongoing commitment to inspiring our stakeholders to contribute to sustainable development, we continue to share not only our progress and opportunities but also our challenges and learnings. At SPAVI, we continue to improve our data collection systems yearly to improve the accuracy, depth, completeness, and comparability of our disclosures.

Our Sustainability Commitment

[GRI 2-22: Statement on sustainable development strategy]

SPAVI recognizes the significance of long-term sustainable growth as a food company in the Philippines. We are committed to enhancing the relevance of our suite of brands and positively impacting economic development by enriching the communities we serve.

Building upon our legacy as a leading full-service casual dining and kiosk chain, we are forging ahead with the ambition to scale and unlock synergies across our portfolio.

We pursue global opportunities by strategically expanding our footprint in key markets. In doing so, we are able to create entrepreneurial and employment opportunities that help bolster the economy and uplift the communities where we operate.

At SPAVI, we believe that expanding our stores and guest base must be accompanied by responsible growth. Our vision of becoming the country's preferred and dominant casual dining and food service player hinges on our commitment to sustainability, inclusivity, and ethical practices.

We focus on three key pillars to fulfill this commitment: People, Planet, and Pizza. We have established Corporate Governance and Sustainability Committees to integrate sustainability principles into our governance framework. This ensures we continuously evaluate and adapt to sustainability-related risks and opportunities, positioning SPAVI to operate as a responsible business.

"We have embraced sustainability and have integrated it into our mission. Our People programs involve the development of our human capital. For Planet, we will optimize our plastic, water, and energy footprints whilst balancing our need to stay competitive and remain good stewards of capital. On Pizza, or the food we serve our guests, we will be an innovator—looking to increase healthier, planet-friendly, and WOW-ing menu items for both our brands."

CHRISTOPHER T. PO, Chairman

“Above the short-term financial metrics of sales and profit lies the more important long-term strategic health of the brand and the business. There is a lot of work ahead; but with our commitment to this end, we believe we will soon make meaningful contributions.”

VICENTE GREGORIO, President & Chief Executive Officer (CEO)

Materiality Process

[GRI 3-1: Process to determine material topics]

At SPAVI, our sustainability framework, reporting disclosures, and targets are grounded in our material topics. We engaged many stakeholders in the materiality assessment process to ensure these topics are identified through an inclusive and comprehensive approach.

In 2018, we consulted both internal and external parties (including middle management, senior leadership, the Board of Directors, investors, and key business partners like suppliers, distributors, and guests) to understand their perspectives on the risks, opportunities, and priorities crucial for our organization's sustainability. Through these dialogues, we pinpointed the sustainability issues that matter most to our stakeholders and our business operations.

Following this, we refined our list of material topics and established a focused framework to guide our impact on the business, our stakeholders, and the planet. We outlined preliminary metrics and strategies to track our progress on these topics. Our commitment to stakeholder engagement is ongoing; we consistently review stakeholder concerns to ensure our material topics remain pertinent and our actions align with their interests (refer to the How We Engage section of this report for further details).

To stay responsive to the changing sustainability landscape, our Board-level Corporate Governance and Sustainability Committee, and the Sustainability Steering Committee regularly evaluate risks, opportunities, and new developments, adapting our focus on material topics as needed.

We also align our material topics with our Sustainability Framework. Mapping them into our three key pillars ensures that we manage each focus area, and that we have specific points of action to create real impacts under each pillar.

Sustainability Framework

[GRI 3-2: List of material topics]

Our Sustainability Framework consists of three key pillars: People, Planet, and Pizza. The framework details our positive impacts and the sustainability issues that are most relevant to our business and stakeholders.

<table>
<tr><th colspan="3">3 Pillars</th></tr>
<tr><th>People</th><th>Planet</th><th>Pizza</th></tr>
<tr>
<td>Human and social capital remain crucial to our business. We highly value our employees, guests, and the communities that we work with.

SDG 8: Decent work and economic growth</td>
<td>Our use of resources and their consequential impacts are diligently monitored to enable us to carefully manage the inputs on which our business relies.

SDG 12: Responsible Consumption and Production</td>
<td>Our products remain at the heart of our operations, and our processes ensure that they are safe and of high quality. At the same time, we are constantly looking for new ways to WOW our guests and our planet through innovation and responsible sourcing.

SDG 3: Good health and well-being</td>
</tr>
<tr><th colspan="3">Focus Areas and Material Topics</th></tr>
<tr><th>Employees</th><th>Natural Resource Efficiency</th><th>Business Alignment</th></tr>
<tr>
<td>Diversity and Inclusion
We are committed to building a diverse and inclusive business that prioritizes skills and potential and does not discriminate based on ethnicity, religion, or gender.

Talent Acquisition and Management
We regard our employees as our partners. We invest considerably in promoting their professional and personal growth, which helps grow the business.</td>
<td>Energy Consumption Reduction and Water Consumption Reduction

We strive to improve our efficiency in utilizing natural resources by adopting industry best practices in energy and water management.</td>
<td>Product Development & Innovation
Our diversified menu continues to provide value to our guests, keeping both old and new guests excited.

Food Quality & Safety
Product quality (that also focuses on guest welfare) is a business aspect accounted for in all parts of our operations.</td>
</tr>
</table>

Employee Engagement
We continuously engage with our employees through open communication, accessible grievance mechanisms, and providing competitive benefits to ensure they are dedicated to their jobs and committed to the organization.

Workplace Culture and Environment
Our employees can consistently WOW guests as we cultivate an inclusive culture and ensure a safe and healthy working environment.

Guests

External Guest Engagement Feedback from our guests on every aspect of our business is highly valued and acted upon accordingly.

Communities

Job Creation and Livelihood Support
Our growth around the country generates jobs for local communities. We engage in community development and aim to create sustainable social impact.

Entrepreneurship
Through our franchising model, we create opportunities for small and medium-sized enterprises to flourish, a role which we believe has a compounding impact on families and communities.

Environmental Impact Management

Greenhouse Gas (GHG) Emission Reduction
We manage our use of natural resources to control our environmental impact, including the resulting GHG generated by the energy we utilize.

Net Zero Plastic Waste
We are committed to Net Zero Plastic Waste (third-party verified) across the entire business.

Landfill Waste Reduction We explore ways to minimize our packaging and waste footprint.

Supply Chain Management

Supplier Credibility
We adhere to standards that ensure our materials are ethically sourced.

Local Sourcing
We aim to source more materials locally by exploring contract farming and local processing.

Industry Pioneer

Healthier Products
As we continue diversifying our offerings, we aim to introduce menu items with healthier nutrition profiles.

Nutritional Transparency
We intend to disclose the nutrition profiles of menu items for transparency.

Governing and Operationalizing Sustainability

[GRI 2-12: Role of the highest governance body in overseeing the management of impacts]
[GRI 2-13: Delegation of responsibility for managing impacts]
[GRI 2-14: Role of the highest governance body in sustainability reporting]

SPAVI ensures that effective governance is in place to deliver on our sustainability commitments.

The Board-level Corporate Governance and Sustainability Committee oversees the implementation of our Sustainability Framework and regularly reviews sustainability risks and opportunities. The committee is chaired by a Non-Executive Independent Director, ensuring an independent and objective view of critical business issues.

The committee receives semi-annual updates on the Company's sustainability progress and corporate governance and advises the Sustainability Steering Committee accordingly. In coordination with the Board, the committee also acts as the gatekeeper for sustainability disclosures.

Our Sustainability Steering Committee, composed of senior executives of key functions and business units and spearheaded by our Chairman and CEO, is responsible for embedding sustainability into every aspect of the business.

Respective business units and departments manage, develop, and implement goals and action plans for each P of our framework (People, Planet, Pizza), with the Sustainability Steering Committee leading the overall direction and ensuring continuous improvement in responsible business practices.

Each Sustainability Steering subcommittee holds semiannual meetings with the Executive Chairman and CEO for each pillar of the framework to check on the status of ongoing initiatives and discuss opportunities to further the Sustainability Framework. The Investor Relations Department acts as secretariat to the meetings and ensures that SPAVI's governance structure operates smoothly and efficiently.

To generate lasting impact, we strive to integrate sustainability initiatives into our business practices. We have decentralized the responsibility for sustainability, entrusting the leaders of our business units to engage their teams and integrate sustainability considerations directly into business decisions.

Corporate Governance & Sustainability Committee	
Chairman	
Gina Lorenzana	Independent Director A seasoned global executive with expertise in strategic brand development and sustainability; CEO, Belo Medical Group; Founder, Nada Debajo S.L., Barcelona; Chief Energist, BetterBrandLabs, Inc., Manila; Former Global VP of Unilever
Members	
Kristine Romano	Independent DirectorFormer Former Managing Partner of McKinsey & Company Philippines with over 20 years of management consulting experience, advising leading Southeast Asian institutions on transformation, governance, and growth, particularly in finance and consumer sectors.
Frances Yu	Independent

Steering Committee	
Core	
Christopher Po	Chairman
Ricardo Po, Jr.	Vice Chairman
Vicente Gregorio	President & CEO
Myrose Victor	Head of Investor Relations
Jean Lapa	Executive Development Consultant
Jennifer Tan	Group Procurement Director
Jenifer San Juan-Tecson	Investor Relations Head
People	
Oliver Sicam	Shakey's GM
Dino Francisco	Peri-Peri GM
Jose Arnold Alvero	Potato Corner COO
Yiow Tan	Group Director - International
Marielle Santos	Chief HR Office
Planet	
Noel Marqueses	Technical Service Department Head
Kathrina David	Supply Chain Management Head

	Director Retail strategist and market research practitioner, Founder of FYJ Consulting, Inc., and former VP of Rustan’s supermarket		
		Pizza	
		Gale Roque Charmaine Go	Quality Assurance Manager Chief Marketing Officer – Potato Corner

Understanding Our Impacts

[GRI 2-6: Activities, value chain and other business relationships]

Our sustainability strategy is anchored on the environmental, social, and economic impacts of various business activities along our value chain. In our effort to operationalize sustainability and make it easier to act on our material topics on the ground, we map SPAVI’s relevant sustainability issues against our value chain, highlighting where to manage our risks and negative impacts and where opportunities exist to scale our positive impact and create greater value for our stakeholders.

- **Research & Development (R&D):** Formulating and testing of food products and non-food materials
- **Sourcing:** Procurement, storage, and distribution of food and non-food materials
- **Store Operations:** Preparation of food products and services, including the management and maintenance of store logistics and facilities
- **Business Segments:** Offering of products and services through dine-in, delivery, carry-out, functions, and the SuperCard+
- **Guest Engagement:** Marketing and feedback mechanisms conducted for guests

Impact Creation

<table>
<tr><th></th><th>Research & Development</th><th>Sourcing</th><th>Store Operations</th><th>Business Segments</th><th>Guest Engagement</th></tr>
<tr><td colspan="6">Impact Creation</td></tr>
<tr><td rowspan="8">PEOPLE</td><td colspan="5">Diversity & Inclusion</td></tr>
<tr><td colspan="5">Talent Acquisition & Management</td></tr>
<tr><td colspan="5">Employee Engagement</td></tr>
<tr><td colspan="5">Workplace Culture & Environment</td></tr>
<tr><td colspan="3"></td><td colspan="2">External Guest Engagement</td></tr>
<tr><td></td><td colspan="3">Job Creation</td><td></td></tr>
<tr><td></td><td colspan="3">Livelihood Support</td><td></td></tr>
<tr><td></td><td colspan="3">Entrepreneurship</td><td></td></tr>
<tr><td rowspan="3">PLANET</td><td></td><td colspan="3">Natural Resource Efficiency</td><td></td></tr>
<tr><td colspan="4">Environmental Impact Management</td><td></td></tr>
<tr><td colspan="4">Supply Chain Management</td><td></td></tr>
<tr><td rowspan="4">PIZZA</td><td colspan="3">Product Development & Innovation</td><td colspan="2"></td></tr>
<tr><td colspan="5">Food Safety & Quality</td></tr>
<tr><td colspan="2">Healthier Products</td><td colspan="3"></td></tr>
<tr><td colspan="2">Nutritional Transparency</td><td></td><td colspan="2">Nutritional Transparency</td></tr>
<tr><td rowspan="2">GOOD GOVERNANCE</td><td colspan="5">Business Ethics & Compliance</td></tr>
<tr><td colspan="5">Labor Practices</td></tr>
</table>

How We Engage

[GRI 2-25: Processes to remediate negative impacts]
[GRI 2-26: Mechanisms for seeking advice and raising concerns]
[GRI 2-29: Approach to stakeholder]

Channels of Engagement	Concerns	How we address them
	Employees	

• Town hall meetings • Performance appraisals • Training and development programs • Informal training and mentorship • Email blasts and social media • Team building activities • Collective Bargaining Agreement	• Career growth and development • Employee salaries and benefits • Growing organization	• Training and mentorship programs • Proper compensation and benefits and voluntary store reassignment programs • Organizational review and manpower planning
Guests		
• Store service • In-store feedback mechanism • Guest feedback channels (Email, SMS, Website, App) • Social media channels – Facebook, Twitter, Instagram, Viber	• Quality of service in both dine in and delivery channels • Food quality and safety • Safe eating environment • Delivery app performance • Availability of major products	• QSCH standards and audit processes Proficiency Test for Managers and training of store personnel • RM Assembly, Specialists Assembly to address Guest Related issues, Best Practices sharing • Implementation of health and safety protocols • Guest recovery protocols and IT support • Transparent communications and new product innovations in lieu of out of stock products
Communities		
• Consultation sessions prior to store opening • Community and advocacy events	• Quality of service • Hiring opportunities • Corporate social responsibility	• Partnership with the Down Syndrome Association of the Philippines to provide job opportunities for individuals with Down Syndrome • Partnership with the City of Manila to provide job opportunities for senior citizens and persons with disabilities
Suppliers		

• Communication lines (phone, email, meetings) • Supplier accreditation process • Supplier negotiations and bidding • Order placement and PO issuance	• Issues with bidding and procurement • Scheduling and logistical concerns • Minimum accreditation requirements and schedule • Inflationary pressures	• Regular engagement with suppliers • Supplier orientation process on company policies and commitments
Government		
• Annual audits, reports, and publications • Press releases	• Compliance with laws and regulations • Opportunities and areas for public and private sector collaboration • Completeness and accuracy of reports • Transparency and accountability	• Compliance, transparency and timeliness on submission of required reports and renewal of permits and licenses • Updating of company policies and systems based on latest government regulations, as needed • Attendance and participation to government-sponsored learning sessions and compliance programs
Investors and Shareholders		
• Investor touch points (meetings, conferences, commissary visits, email, phone) • Press releases	• Business viability and growth • Financial outlook and disclosures • Business risks and opportunities • Sustainability and ESG	• Facilitating effective two-way communication between the Company and financial community • Transparency and accountability with regard to the Company's strategic plans • Regular engagements through different touch points with investors and shareholders
Media		
• Press briefings and conferences • TV and radio advertisements	• Proper representation and labeling • Marketing practices	• Regular consultations • Branding and marketing guidebook
Franchisees		

• Communication lines (phone, meeting, email) • Franchise expos • Franchise business forums	• Business viability and growth • Business risks and opportunities • Changes in systems and processes	• Providing business updates during franchise business forums • Conducting regular franchise roadshow events

People

Employees

Diversity and Inclusion

[GRI 3-3: Management of material topics]
[GRI 2-7: Employees]
[GRI 405-1: Diversity of governance bodies and employees]

SPAVI is committed to building a talent pool that prioritizes a variety of skills and potential, does not discriminate based on ethnicity, religion, or gender, and supports the different communities where our stores operate through local hiring. This diversity is critical for business growth and longevity.

Our Board of Directors leads our efforts towards diversity and inclusion, in addition to pursuing continuous growth and completing our strategic objectives. We are making a concerted effort to promote diversity among our ranks. As of 2025, we have balanced gender representation among middle managers and front-line leaders. SPAVI will continue identifying opportunities for more diversity and inclusion in our staff, especially in our executive and senior management roles.

Guided by our policies, our Human Resources (HR) Department cultivates an inclusive workplace, where unique backgrounds and ideas are valued and employees are invited to contribute to our growth and success. Our Board Charter states our Board Diversity Policy and commitment.

As we progress, we focus on identifying and nurturing talent. We aspire to evolve our leadership composition to include many perspectives, enhancing our ability to innovate and maintain a competitive edge.

In every facet of our business, we are committed to fostering an environment where people are the cornerstone, and excellence is the result.

Total employees in 2025: 2,484 (2024: 2,288)

SPAVI defines employees as full-time employees only, from rank-and-file on the restaurant floor to executive leaders. This represents the total number of employees by the end of 2025.

Total workers in 2025: 6,989 (2024: 4,664)[a]

[a] *Restated to correct the figure as the previously reported figure, 6,952, included full-time employees.*

Including outsourced personnel, our workforce in 2025 amounted to 9,473, the sum of total employees and workers by the end of the year. Outsourced personnel are vital to our operations as they comprise all our store riders, store members, participants from our inclusive hiring programs, cluster maintenance technicians, and utilities.

A Culture of Inclusion and Opportunity: Love 'Em Down Program 2025

In 2025, Shakey's "Love 'Em Down" program evolved into a holistic inclusion initiative that combined skills training, employment, and community engagement. Around 46 individuals participated in the program, and they were granted work opportunities to provide them with the chance to grow and gain confidence while building their sense of belonging in the workplace.

This program builds on the culture of inclusion cultivated by all SPAVI branches for all participants—employees and guests alike, sharing in both personal development and equal opportunities. By 2025, 58 individuals with Down syndrome had been empowered since the program began, further expanding through partnerships with local governments across Metro Manila.

This initiative continues to be done in collaboration with the Down Syndrome Association of the Philippines, Inc. (DSAPI), an organization we also partner with for their community engagement initiatives for persons with Down syndrome.

World Down Syndrome Day

SPAVI held the "Pizza and Smiles" event, where around 45 children with Down syndrome participated in activities like hands-on pizza-making and decorating. This activity promoted experiential learning, confidence building, self-expression through creativity, and friendship—all crucial for their personal well-being and development.

Shakey's also joined DSAPI's annual Happy Walk, a major awareness event that involved employee-volunteers and families, where they enjoyed festivities from special performances to sharing pizza and toys. The event strengthened community bonds while also raising public awareness about Down syndrome.

As Shakey's celebrates our 50th year, we continue to reinforce "Love 'Em Down" as a flagship social impact program. To this day, it continues to function as a sustainable, multi-layered program that empowers individuals with Down syndrome.

Project Able 2025 Updates: Quezon City Partnership

To promote inclusive hiring, we continue to provide special fixed-term employment to senior citizens and persons with disabilities through Project Able. The program allows participants to gain valuable experience and learn new tasks through on-the-job training (OJT), coaching, and ongoing support.

Across five LGUs, we employed 122 participants in 2025 across both Shakey's and Peri-Peri. Of this number, 86 were senior citizens and 36 were persons with disabilities.

In 2025, Project Able widened its reach with the Quezon City LGU signing a Memorandum of Agreement. 11 participants from Quezon City were employed at Peri-Peri branches.

At SPAVI, we believe that the passion and dedication of Project Able participants can contribute to much of our success and make our guests' experience more enjoyable. Through these efforts, we hope to inspire other companies to also promote a welcoming and diverse workforce.

OJT Autism Program with Winged Wonder Institute

Equal opportunities are not only a fundamental belief that we hold for our employees, but for all who have the potential to contribute to the workforce. In 2025, SPAVI signed a Memorandum of Agreement with Winged Wonder Institute to launch an OJT program for Persons with Autism. A total of two students participated and completed their OJT at Shakey's Glorietta and Makati Cinema Square branches.

This program integrated students with our daily operations in our branches, guiding them to navigate the workplace. With the right support and daily interaction, students on the autism spectrum showed meaningful improvement in their social skills.

This initiative also served as training for our own employees: store teams grow more patient and empathetic as they learn to support teammates on the autism spectrum, a perspective which they can bring to serving our guests. Long-term, we believe this helps make SPAVI a more welcoming place for all.

Employee Breakdown

	2023	2024	2025
By gender			
Female	1,146 (51%)	1,130 (49%)	1,214 (49%)
Male	1,123 (49%)	1,158 (51%)	1,270 (51%)
By age			
Under 30 years old	907 (40%)	685 (30%)	746 (30%)
30-50 years old	1,286 (57%)	1,492 (65%)	1,643 (66%)
Over 50 years old	76 (3%)	111 (5%)	95 (4%)

Board of Directors Breakdown

	2023	2024	2025
By gender			
Female	1 (11%)	1 (11%)	3 (33%)
Male	8 (89%)	8 (89%)	6 (67%)
By age			
Under 30 years old	0	0	0
30-50 years old	2 (22%)	2 (22%)	2 (22%)
Over 50 years old	7 (78%)	7 (78%)	7 (78%)

Inclusivity at SPAVI in Numbers

	2024	2025
Love ‘Em Down Participants	42	46
Senior Citizens	29	86
Persons with Disabilities	22	36

OJT Opportunities at SPAVI

	2024	2025

On the Job Training (OJT) opportunities	233	325

Talent Acquisition and Management

[GRI 3-3: Management of material topics]
[GRI 401-1: New employee hires and employee turnover]
[GRI 404-1: Average hours of training per year per employee]
[GRI 404-2: Programs for upgrading employee skills and transition assistance programs]
[GRI 404-3: Percentage of employees receiving regular performance and career development reviews]

At SPAVI, we believe that talent acquisition and management programs allow us to create a culture anchored on guest-centricity and excellence.

New employee hire rate: 27% (50% female, 50% male)

Turnover rate: 22% (50% female, 50% male)
The turnover rate refers to the percentage of employees who have left the Company out of the total employees at the end of the reporting year.

Capability Building in Quality Management

Guided by our Training and Development policy, our HR Department works with our leadership team to develop and deliver learning programs that build competencies, address performance gaps, adapt to business developments, and prepare high-potential employees as part of succession planning.

Our training programs include tailored courses, classroom training, OJT training, and learning assessment tests. Graduates of training programs receive certification upon completion. We also offer training opportunities through stand-alone courses, which are open to full-time and outsourced employees.

In addition to formal training programs, continuous hands-on and informal learning opportunities are offered to SPAVI employees to improve employee engagement and instill the Company's WOW! Culture and Values. These include sit-downs and coaching sessions, general assemblies, team-building sessions, People Day feedback conversations, and sales rallies.

Average Training Hours

	2023	**2024**	**2025**
Female (hrs/employee)	92	124	208
Male (hrs/employee)	84	115	217
Overall (hrs/employee)	88	119	213

SPAVI Company-Wide Training Programs and Courses

Training Programs	Description
Comprehensive Onboarding Program	Onboarding program for newly hired employees that covers company orientation and philosophies, product knowledge, guest service, duties and responsibilities, safety and security guidelines, and cashiering
Management Development Program	Develops Manager Trainees in restaurant operations
Restaurant Train the Trainer Workshop	Transforms employees both at the restaurant operations and Corporate Support Office (CSO) into credible and effective trainers who can cascade company goals, philosophies, means, and standards to employees
New Store Opening Training	Equips core teams of opening stores with the technical capabilities required for store operations
Restaurant Staff Development Program	Trains restaurant staff in the technical and leadership competencies necessary for Shift Management positions through leadership training, certification, and dual specialization sessions
Training Courses	**Description**
Operations Training Courses	Upskills Store Operations employees with technical and leadership competencies that will enable them to perform their jobs successfully
Corporate Support Office Training Courses	Reinforces company goals, philosophies, means, and standards among our CSO employees while also offering learning opportunities to enhance their skill set and improve attitude and habits

Performance Management System (PMS)

SPAVI promotes and rewards people based on exemplary performance. Through our annual PMS, employees set clearly defined goals, receive continuous feedback, and are recognized for their contributions. SPAVI employees are evaluated against our core WOW! Values through the PMS.

The involved individual and their direct manager work together to monitor and evaluate the progress of goals. Our standardized performance appraisal process ensures assessments are done objectively so that Management and employees meet our performance standards.

Through our Individual Development Plan (IDP), high-potential individuals collaborate with their manager, selecting three to four areas to work on during the year and developing a tailored plan to enhance performance. Since 2019, this development program has sought to close competency gaps and promote career growth while empowering employees to take ownership of their development. IDP takes on a 70-20-10 approach where 70% of the upskilling experience is through on-the-job training, 20% is from direct coaching, and 10% is formal classroom learning.

In 2025, 97% of our employees—from rank-and-file to executive levels—underwent a performance review process. This marks a significant improvement from previous year.

As a result of our comprehensive training and development initiatives and strong PMS, 11% of our full-time employees were promoted during the reporting year in recognition of their outstanding performance and contributions to the Company.

Continuing to Create the Best Pizza for Guests

In 2025, SPAVI continues our rigorous training, quality testing, and evaluation processes for all our Shakey's stores to ensure that our guests get nothing but the best food and service. Not only does this ensure our core values are maintained in our store, but it also builds engagement and expectations with our guests long term.

In particular, we have continued to provide refresher courses for both our Pizza Quality Control and our Make Up and Oven staff. Weekly visits during the duration of the course ensure consistency with a high standard of work, with a certification at the end of the program marking the store as producing pizza up to our standards.

Aside from production, we also continue to evaluate service delivery. We conducted refresher courses for our Operations team on handling Guest Complaint, Food Safety and updates on Consumer Act Law, helping us deliver the best customer experience for our guests.

These initiatives build a core foundation of our brand as a provider of the best experiences for our guests, and hold our own employees to a higher standard of service.

Employee Engagement

[GRI 3-3: Management of material topics]
[GRI 2-25: Processes to remediate negative impacts]
[GRI 2-30: Collective bargaining agreements]
[GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees]

SPAVI's WOW! Philosophy drives our employee engagement and performance. We actively embed our core values from onboarding to day-to-day operations. This includes integrating the WOW! Culture across our brands, where HR facilitates cross-functional meetings and specific WOW! sessions to deepen its impact.

We recognize our duty to provide a secure livelihood for our employees. SPAVI offers fair and competitive compensation and benefits that conform with and go beyond national labor statutes, standards, and requirements through our Code of Business Conduct and Ethics. Employees are entitled to benefits exceeding statutory labor standards, such as healthcare coverage and medical services, vacation and sick leave, paternity and maternity leave, flexible working arrangements depending on the nature of work, and retirement benefits to qualified employees, among others.

To continue to attract and retain the best talent, we stay current on market standards for salary and benefits and adopt best practices in developing strong employee relations. In addition to providing an engaging environment and stable employment, we regularly recognize and honor our exemplary employees and high-performing stores.

The Confederation of Filipino Workers–Shakey's Pizza Asia Ventures, Inc. Workers Chapter, a recognized and registered labor organization, acts as the representative body for our company-owned Shakey's store rank-and-file employees to express concerns regarding their employment terms.

Through mechanisms such as quarterly engagements with HR leads and direct lines with the employee relations team, the organization works with SPAVI to settle these grievances. The organization's Labor Management Council, co-chaired by both rank-and-file staff and senior executives, ensures that the employees' right to association and collective bargaining is upheld through our conflict resolution and grievance procedure.

1,229 members of our total workforce, representing regular restaurant rank-and-file employees (excluding restaurant managers and restaurant officers), are directly employed in all Shakey's company-owned restaurants. As of 2025, 19% of total full-time employees are covered by CBAs.

For regular full-time employees not covered by the CBA, such as corporate support employees and store employees of our other businesses, employment terms and conditions are based on their respective employment contracts. SPAVI respects the freedom of all our employees to exercise their right to organize and bargain for better employment terms and conditions.

Leaders' Summit 2025

Our annual Leaders' Summit is an avenue for our top executives to align with employees about our direction for each year. During the summit for 2025, leaders shared upcoming plans, programs, and key initiatives for the year.

Attendees included our key leaders and employees from all brands and departments, ensuring that we can learn, discuss, and reflect on insights and plans for the upcoming year as one organization.

Leaders also discussed milestones for 2024 so that attendees could reflect on the progress, challenges, and achievements in the previous year. The event also served as a way for us to discuss key directions and targets for 2025, ensuring that everyone at SPAVI can work together towards shared business goals.

Workplace Culture and Environment

[GRI 3-3: Management of material topics]
[GRI 2-27: Compliance with laws and regulations]
[GRI 403-1: Occupational health and safety management system]
[GRI 403-2: Hazard identification, risk assessment, and incident investigation]
[GRI 403-5: Worker training on occupational health and safety]
[GRI 403-6: Promotion of worker health]

A healthy and safe working environment is a prerequisite to our workforce's well-being and paramount to our operations' success. SPAVI is committed to creating decent and safe working conditions, whether in the corporate workplace or our store and warehouse. We fulfill this through our Occupational Safety and Health (OSH) Program and Policies, in full compliance with RA 11058 and the Department of Labor and Employment's (DOLE) Department Order No. 198-18, and the Occupational Safety and Health Standards (OSHS).

Our Health and Safety Committee manages our OSH program, including employee orientation and regular training, support for work permits for at-risk establishments, and provision of select protective equipment. We continue to strengthen the capabilities of OSH Committee members through learning sessions and certifications delivered in partnership with a DOLE-accredited OSH consultancy.

SPAVI further enhances its health and safety governance by promoting basic OSH awareness across the organization through group-wide communications on key safety practices, such as proper safety signage (e.g., emergency exits and fire extinguishers) and participation in first aid certification programs. In 2026, these efforts were reinforced through the establishment of a regular schedule of OSH refresher training sessions, including disaster preparedness and management programs.

Work-related hazards are regularly identified and assessed for severity and frequency, and appropriate control systems are implemented to prevent these safety risks. Any disabling injury, whether permanent, temporary, or resulting in fatalities, is reported to DOLE and submitted with required supporting documents to be processed.

In the event of an incident or near-miss, SPAVI follows a structured response and investigation process. This includes ensuring immediate safety and medical response, gathering evidence through the “4 Ps” (People, Parts, Position, and Paperwork), conducting root cause analysis (RCA), reassessing hazards and risks, and implementing corrective actions, including elimination, substitution, engineering, and improving the OSH management system.

In accordance with RA 11058, SPAVI has also put the following OSH policies in place to ensure a safe, productive, and supportive workplace:

1. Company Commitment to OSH
2. Promotion of a Drug-Free Workplace
3. Mental Health Services in the Workplace
4. Prevention and Control of HIV-AIDS
5. Prevention and Control of Tuberculosis
6. Prevention and Control of Hepatitis B
7. Composition and Duties of the Health and Safety Committee

Beyond workplace safety, we support our employees’ overall health and well-being by providing benefits such as medical services and healthcare coverage to full-time employees. This includes HMO coverage, insurance, and access to our on-site clinic. The Human Resources and Organizational Excellence team regularly releases internal communications to promote physical, emotional, mental, spiritual, and financial wellness. We also reinforce compliance with the Comprehensive Dangerous Drugs Act of 2002 (RA 9165) through our Employee Code of Conduct to establish a drug-free work environment.

Project Nerdy: Potato Corner Expansion

To improve employee productivity and satisfaction, we are continuing our Project Near and Ready initiative, also known as Project Nerdy. This initiative assigns or reassigns staff to stores within a 30-minute commute from their residence. The reduced commute aims to improve employee well-being and lessen their travel expenses.

While this project has been implemented for other brands, in 2025, we expanded Project Nerdy to all company-owned stores for Potato Corner. Project Nerdy reinforced our “hire local, assign local” approach: employees were recruited from communities near store locations, and new hires were intentionally placed in branches close to their residences.

A major function of Project Nerdy in 2025 was improving operational resilience. Staff assigned nearby can report to work faster, and our stores are less affected by issues like traffic disruptions, transport strikes, and weather-related delays—all which can negatively impact employee experience with SPAVI.

Project Nerdy continues to be a strategic workforce initiative that quietly powers SPAVI’s operations. It is essential to our long-term success: demonstrating how internal programs behind-the-scenes can create both business value and social impact.

By the end of 2025, 80% of our casual dining and 93% of our Potato Corner store staff live in close proximity to their place of work. We will continue to expand this initiative moving forward.

Guests

External Guest Engagement

[GRI 3-3: Management of material topics]
[GRI 2-25: Processes to remediate negative impacts]

With 50 years of history in the country, Shakey's continues to be one of the most recognizable brands in the Philippine food service industry. Potato Corner is likewise a well-loved brand, backed by its 30-year history in the Philippines. Over the years, it has become a global brand, with presence in 16 international markets.

Building brand equity starts with creating meaningful, rewarding experiences for our guests and hinges on our commitment to giving them a WOW-ing experience. With our "Guest First" values at the core of our WOW! Culture, the SPAVI team embodies customer centricity and a passion for service excellence.

This commitment is reflected in our Supercard loyalty program, one of the largest loyalty programs in the country with over two million users nationwide. The program gives loyal guests access to numerous exclusive benefits such as discounts, freebies and promotions.

We also believe that continuous feedback and evaluation deepen relationships and builds customer loyalty. Our Guest Engagement team sets the tone for our guest-centric culture and oversees the customer relationships with our brands across both company-owned and franchised stores. Through an integrated feedback management system, we connect with guests and address their concerns in a streamlined and timely manner, closing guest feedback tickets within 24 hours.

Whether regarding satisfaction, health and safety, or privacy and data security, we engage with our guests across multiple touchpoints beyond the service period, such as our WeCare emails, Electronic Guest Comment Card, Shakey's delivery hotlines, website, mobile application, and social media accounts. The Guest Engagement team consolidates, analyzes, and reports feedback to continuously improve the way we engage our guests.

We received over 457,973 tickets, or documented interactions with guests, across all our customer touchpoints and platforms. Of these tickets, only 10% were complaints and negative feedback regarding our products and services.

Essential to our integrated feedback management is our Auto Feedback Link. This link directs a feedback form to our In-House Delivery guests who order via our website, mobile application, and hotline (excluding third-party food delivery service providers) to monitor our performance in three service areas: overall experience, delivery promptness, and product quality. We achieved a 4% response rate during the year, of which 68% were positive.

Our in-house Contact Center team manages our online interactions with guests to accommodate increasing guest feedback through online channels. Insights from our customer interactions help us identify underperforming stores that need support, as well as excelling stores whose best practices can be replicated.

SPAVI leverages technology and feedback to continuously improve our delivery time. At the same time, we work closely with our drivers to ensure that their safety is not compromised in pursuit of this goal. We do this by setting a maximum speed limit and designing efficient and systematic routes. Furthermore, our delivery riders are not penalized for delivery delays.

Our customer engagement and management approach leverages technology from response and communication to tracking and evaluation. We have systems in place to meet industry standards for data security, as mandated by the Data Privacy Act of 2012.

Community Engagement

SPAVI is accountable to the stakeholders in the communities where we operate, including where we source our ingredients, supplies, utilities, and staff. Our advocacies go beyond providing quality products and services and pursue enduring and meaningful partnerships with change agents who share our vision of a better future.

Job Creation and Livelihood Support

[GRI 3-3: Management of material topics]
[GRI 203-2: Significant indirect economic impacts]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

As SPAVI grows and expands our network, so do employment opportunities along our value chain ecosystem. We create livelihood opportunities and encourage decent working environments for our core businesses as well as our partners, vendors, and suppliers. Our Supplier Code of Conduct and Ethics (SCOCE) is key to our ability to create a positive impact while expanding our locus of positive influence.

SPAVI contributes to the national economy by supporting 22,830 jobs in 2025 (20,725 in 2024). This figure includes company-owned restaurants, corporate support employees, workers, and those whose jobs are indirectly supported through our business relationships, such as our franchised staff, store riders, participants from our inclusive hiring programs, call center agents, and maintenance and utilities staff.

SPAVI’s community engagement efforts are rooted in a deep commitment to creating positive societal impact and nurturing healthy, inclusive communities. An example of these values in action is SPAVI’s support for women’s sports, mainly through the sponsorship of Shakey’s Super League. This sponsorship highlights the Company’s dedication to promoting gender equality and empowering women athletes across the Philippines.

Entrepreneurship

[GRI 3-3: Management of material topics]

Additionally, SPAVI also creates opportunities for Small and Medium-sized Enterprises (SMEs) through our franchising model. We have a dedicated franchising team that serves as a support function, providing marketing, logistics, and supply support to our partner franchisees.

We also keep open lines of communication for feedback and support, emphasizing a long-term partnership with our franchises to give them the best possible chance of success in their endeavors. And when they do perform above and beyond, they are recognized for their exemplary performance with accolades like Shakey's Cup of Excellence and Potato Corner's Golden Fries Awards.

We will continue to pursue entrepreneurial partnerships as a reliable way to engage with our community, through roadshows to ensure strategic alignment, sharing of best practices, and acquiring feedback. Long-term, this approach contributes to our growth as a company, and the establishment of collaborative partnerships with our communities.

Planet

Natural Resource Efficiency

At SPAVI, we strive to improve the efficiency with which our organization consumes natural resources.

We implement industry best practices for water and energy management and closely monitor our consumption of these vital resources.

Water Consumption Reduction

[GRI 3-3: Management of material topics]
[GRI 303-2: Management of water discharge-related impacts]
[GRI 303-3: Water withdrawal]

Water is essential to our business operations, from general cleaning and sanitation at stores to cooking processes. We monitor, measure, and analyze our water usage to continuously improve our resource efficiency, ensure the cleanliness and safety of our operations, and mitigate our environmental impact. This is especially important for SPAVI as we operate in high water stress areas, such as Metro Manila.

Water withdrawal and intensity

	2023[a]	2024[b]	2025
Water withdrawal (CBM)	1,236,342	778,985	605,789
Water intensity (CBM/Revenues in PHP Millions)	96.41	53.90	37.74

[a] *Water data from 2023 still includes data from franchises and is thus significantly higher than for succeeding years.*
[b] *Water data from 2024 has been restated to exclude franchised data.*

We invest in technology to reduce water consumption, such as installing automatic low-flow handwashing machines, and communicating responsible water usage with our guests at our stores.

All wastewater discharged from all SPAVI facilities adheres to minimum standards established by the Department of Environment and Natural Resources (DENR) Administrative Order (DAO) 2021-19, the City Environment & Natural Resources Office (CENRO), the Municipal Environment & Natural Resources Office (MENRO), and Laguna Lake Development Authority (LLDA).

In 2025, 54 standalone Shakey's stores utilized onsite sewage treatment plants (STPs) to treat effluents from their operations before discharging, the same number of stores as in 2024.

Energy Consumption Reduction

[GRI 3-3: Management of material topics]
[GRI 302-1: Energy consumption within the organization]
[GRI 302-3: Energy intensity]

Our operations rely on gasoline, LPG, and electricity to support core business activities in our stores, offices, and warehouses, as well as to power equipment and vehicles. We are committed to minimizing energy use by implementing efficiency measures and promoting behavioral changes.

We encourage our staff to actively participate in energy-saving efforts, such as turning off lights when not needed. We also implement energy-efficient design strategies in each store, including thermal insulation and inverter-type cold storage to conserve energy.

While we have greater oversight over company-owned locations, we share our energy-saving strategies with leased spaces and franchisees, aiming to broadly reduce our energy footprint. In 2025, 64 Shakey's stores and 19 Peri-Peri stores were installed with thermal insulation.

Energy consumption and intensity[a]

Disclosure	2023	2024[b]	2025
Total energy consumption (GJ)[a]	66,673,325	37,217,077	34,875,033
Non-renewable	66,673,325	37,217,077	34,875,033
Renewable	0	0	0
Energy intensity (GJ/Revenues in PHP Million)	5,199	2,575	2,173

[a] The sources of energy included in this disclosure are non-renewable electricity, gasoline, LPG, and diesel.
[b] Energy data for 2023 and 2024 have been restated upon refinement of calculation methods. Furthermore, franchised data was included in the 2023 figure, but excluded for succeeding years.

Environmental Impact Management

Managing our resources responsibly goes hand-in-hand with managing and mitigating our negative impacts on the environment and doing our part in tackling climate change.

Greenhouse Gas Emission Reduction

[GRI 3-3: Management of material topics]
[GRI 305-1: Direct (Scope 1) GHG emissions]
[GRI 305-2: Energy indirect (Scope 2) GHG emissions]
[GRI 305-4: GHG emissions intensity]

Our senior leadership team and Board of Directors are jointly responsible for assessing the impacts and developing the appropriate mitigation and adaptation strategies to reduce our carbon emissions and manage climate-related risks.

SPAVI is looking into the possibilities of expanding the use of renewable energy in our operations. We are exploring a mix of renewable energy sources, with internal evaluations being done on the best sites for their use and full-time integration.

GHG Emissions and GHG Intensity of SPAVI (Scopes 1 and 2)[a]

Disclosure	2023	2024[b]	2025
Scope 1 (tonnes CO_2e)	4,014,403,249	2,339,962	2,192,507
Scope 2 (tonnes CO_2e)	52,945	33,070	31,645
Emission intensity (tCO_2e/Revenues in Php Million)**	313,042.44	164.20	138.58

[a] Standards used for the computation are based on the GHG Protocol Corporate Protocol and Reporting Standard. Location-based grid emission factors are based on the Philippine Department of Energy. The gases reported include carbon dioxide, methane, and nitrous oxide.
[b] Energy data for 2023 and 2024 have been restated upon refinement of calculation methods. Furthermore, franchised data was included in the 2023 figure but excluded in succeeding years.

Landfill Waste Reduction

[GRI 3-3: Management of material topics] [GRI 301-1: Materials used by weight or volume]
[GRI 306-1: Waste generation and significant waste-related impacts]
[GRI 306-2: Management of significant waste-related impacts]
[GRI 306-3: Waste generated] [GRI 306-4: Waste diverted from disposal] [GRI 306-5: Waste directed to disposal]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

We recognize that we are responsible for managing the waste we generate across our operations, including procurement of raw materials, food preparation, logistics, and serving our guests through multiple sales channels and store formats. Our opportunities lie in reducing the source, procuring more responsible materials, and improving segregation, recovery, and recycling.

Waste From Our Operations

Our waste action plan targets a significant reduction in plastic and food waste, the predominant types of waste in the Food and Beverage sector. This is supported by proper handling, treatment, and disposal across our operations.

In 2025, SPAVI continued to divert hazardous waste from disposal, amounting to 69% of total waste diverted. Kitchen wastewater passes through grease chambers before undergoing treatment in our STP prior to discharge into the municipal sewer system. Other hazardous waste generated across our stores are managed by third-party DENR-accredited haulers, who transport these materials to licensed Treatment, Storage, and Disposal (TSD) facilities to ensure safe and compliant handling.

Waste generated, diverted, and disposed (in kg)

	2023	2024	2025
Waste generated from our operations	208,991	641,784[a]	459,772
Diverted from disposal	48,106 (23%)	489,333 (79%)	316,879 (69%)
Directed to disposal	160,885 (77%)	130,015 (21%)[a]	142,893 (31%)

[a] Restatement in 2024 to exclude franchised stores.

Waste From Consumer Packaging

Our consumer packaging continues to be one of our most significant waste generators. In 2025, we continued to use primarily timber-based materials, like cardboard for pizza boxes and paper for takeout containers.

Consumer Packaging Materials

	2023	2024[a]	2025
Materials used (mt)	47,540	143,034	116,249
Renewable materials (%)	97%	52%	57%
Non-renewable materials (%)	3%	48%	43%

[a] 2024 materials data has been restated due to improvements in data collection.

While sourcing sustainable packaging is a step forward, we face a greater hurdle in the Philippines due to underdeveloped waste management systems, with the urgent task of keeping these materials out of landfills and recycling them effectively.

The post-consumer waste challenge is complex, as it falls outside our direct control. Nonetheless, we are dedicated to reducing the environmental footprint of our packaging along our entire value chain. In the interim, we are committed to offsetting our usage of non-biodegradable plastic packaging through our Plastic Cleanup program.

Plastic Footprint Reduction

[GRI 3-3: Management of material topics]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

Plastic Waste Footprint Recovery: Plastic Cleanup Partner

Plastic Waste Footprint Recovery: Plastic Cleanup Partner

SPAVI actively pursues a responsible strategy to address our plastic footprint resulting from post-consumer waste. Recognizing that some plastic use is currently unavoidable, we have taken action by partnering with the Plastic Credit Exchange (PCX).

Our partnership with PCX enables us to work towards managing the plastic footprint for our brands that rely on flexible packaging. We operationalize this commitment by purchasing plastic credits, similar to the carbon offset model, which funds the collection, recycling, or co-processing of a volume of plastic waste equivalent to our packaging output.

January 2025 marked our sixth year of committing to Plastic Footprint Reduction. SPAVI actively engages in plastic waste management through the PCX program, which ensures the removal and repurposing of plastics equivalent to our usage in consumer packaging into new products or energy, aiding in coal replacement.

In 2025, we purchased 99 MT of plastic credit to partially offset our plastic packaging procured for the year. To uphold the integrity of our plastic offsets, PCX mandates third-party audits by Isla Lipana & Co. (PricewaterhouseCoopers). The audit validates SPAVI's plastic footprint, supporting PCX in our activities as a Plastic Cleanup partner.

It also verifies SPAVI's plastic footprints against our annual packaging usage, confirming that a matching amount of plastic waste has been responsibly recycled or co-processed. We began the audit in earnest in 2023 and acquired certification in 2024. This rigorous process, detailed in the PCX credit registry, not only enhances our plastic management but also aligns SPAVI with the Extended Producer Responsibility (EPR) Act of 2022.

For more information on our Plastic Cleanup Partner program with PCX, visit our website.

Supply Chain Management

[GRI 3-3: Management of material topics]
[GRI 2-25: Processes to remediate negative impacts]
[GRI 2-27: Compliance with laws and regulations]
[GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships]

SPAVI recognizes that our contribution to sustainable development is not limited to our operations and direct activities. We seek to magnify our positive impact across our value chain through relationships with our business partners.

Supplier Credibility

As stated in our Supplier Accreditation Policy, we seek business partners who meet our commercial standards, comply with relevant government regulations, and align with our social and environmental aspirations as responsible members of the community.

Instituted in 2021, our SCOCE outlines the Company's stance on responsible sourcing and supply chain sustainability and the corresponding requirements we expect our suppliers, manufacturers, and service providers to uphold.

The SCOCE covers our standards on:

- Human rights (child labor, forced labor and human trafficking, nondiscrimination, harassment, working hours, wages, and benefits)
- Health, safety, and quality
- Business ethics (business integrity, no gift policy, fair competition, privacy and intellectual property, conflict of interest)
- Environmental compliance with applicable laws and regulations
- Management systems

Currently, all supplier audits are mainly for Quality Assurance to evaluate and ensure product quality and safety standards.

As part of accountability, we have also provided the Company's contact details in the SCOCE as open communication lines for our partners to report any misconduct by our people or anyone acting on behalf of our business.

The role of our Board's Corporate Governance and Sustainability Committee includes oversight of supply chain management. To keep abreast with changes in social, environmental, and governance issues across the supply chain, we intend to formally engage with our key stakeholders, from our employees and Board of Directors to our suppliers and other external groups such as non-governmental organizations (NGOs), labor groups, or industry peers to help us update and revise our SCOCE when necessary.

Potato suppliers meet energy efficiency guidelines and are energy star certified. Beverage suppliers follow sustainability guidelines on water, community, and supplier principles.

% of palm oil suppliers certified by the Roundtable on Sustainable Palm Oil	100% (2024: 100%)

Supplier Audit

SPAVI procures materials only from suppliers that satisfy our globally accepted food quality and safety standards on food safety practices, microbial hazards assessments, employee and facility sanitation, and end product analysis. Our Quality Assurance officers conduct audits during the screening process for new suppliers and as part of risk-based surveillance. Suppliers who pass this process are accredited; for those who fail the audits, we take appropriate actions based on the severity of the non-conformance. We uphold the Health, Safety, and Quality requirements in our SCOCE.

In 2025, 134 suppliers were screened for food quality and safety. Of these screenings, 12 new suppliers were accredited, and 122 existing suppliers passed surveillance audits. For the 1 existing supplier who failed the audits, we have taken appropriate actions based on the severity of the non-conformance.

Vendor Assessment and Supplier Credibility

SPAVI ensures that we continue to monitor our pool of vendors if they align with us in terms of global food safety standards and our risk management strategies. When we take on new vendors, we check whether they match our needs and expansion plan. We also have secondary suppliers listed in case these are needed.

All vendors must also undergo risk scoring with our Standardized Vendor Risk Assessment Framework, which assesses vendors under the categories of food safety, regulatory compliance, ESG compliance, and operational reliability. Moreover, we support vendors by holding training sessions for trucking services on Good Distribution Practices (GDP) as well as coaching and consultation for MSMEs who need help with meeting our requirements.

Our efforts to assess new vendors and reassess existing vendors strengthen supplier accountability and transparency. These efforts also reduce the risk of food safety incidents, recalls, and regulatory penalties. By assessing and monitoring our suppliers, we ensure that we are using high-quality and safe ingredients and materials from qualified vendors.

Local Sourcing

[GRI 3-3: Management of material topics]
[GRI 204-1: Proportion of spending on local suppliers]
[GRI 413-1: Operations with local community engagement, impact assessments, and development programs]

As a proud Philippine company with WOW-ing restaurant brands well-loved by many Filipinos, we allocate 72% of our total procurement budget to suppliers registered in the Philippines, particularly for our food items and packaging materials.

We continuously work with our local suppliers to fulfill most of our requirements, namely chicken, fresh produce, and packaging materials. We believe that this approach supports local businesses and the economy.

2025 Local Sourcing KPIs

% spend on food items spent on local suppliers	% of chicken locally sourced	% of fresh produce locally sourced
72% (2024: 72%)	100% (2024: 100%)	100% (2024: 100%)

Note: This data covers domestic operations.

Cage Free Eggs Commitment

To support animal welfare and responsible ingredient sourcing, we mandated the use of cage-free eggs for all our branches across all our brands. Using cage-free eggs means that the hens these eggs are sourced from can roam freely and lay eggs more comfortably. We are currently transitioning into sourcing all remaining egg ingredients from cage-free vendors, with the goal of completing this transition by 2030.

While our brands already use eggs minimally with our offerings, we have already mandated 100% of all our stores to only use cage-free eggs. SPAVI is also working on sourcing more ethical alternatives to other egg-based ingredients, showing our commitment to responsible sourcing and animal welfare.

We will continue to report our progress in future reports, but this initial first step is a foundation that SPAVI will continue to build on with our ingredient sourcing. Through these and other similar initiatives, we acknowledge and address our responsibility as a major food supplier to source ingredients ethically.

Pizza

Profit-Purpose Alignment

Product development and innovation

[GRI 3-3: Management of material topics]

At SPAVI, we constantly look for ways to create product offerings that are enticing, accessible, unique, and sustainable. Led by our Research and Development team, we believe that developing new products with sustainability in mind drives innovation and WOWs guests.

Product Concept Development

Guest insights indicate innovations for new menu concepts and product improvement, which are evaluated and tested for market potential. Boundaries breed creativity—we optimize our existing equipment and ingredients in pursuit of innovative ideas, allowing us to get the most use out of our existing resources and reduce any potential food waste.

Kitchen Profile Development

Based on the product concept brief, we develop and fine-tune the kitchen profile to produce a final prototype that is commercially ready. This includes testing store processes to determine replicability, food and packaging costs, and the feasibility of current kitchen equipment.

Product Feasibility

The operational viability and scalability of the product are measured through production consistency, financial forecasting, reliability of supply for raw materials and kitchenware, and distribution capacity through our multiple sales channels.

Product Launching

New products are systematically prepared for introduction to the market. This phase involves supply build-up, systems preparations, the completion of product manuals, as well as training and marketing communication materials.

We work with our store operations and suppliers to determine, customize, and ration the pack sizes of raw materials and items according to the stores' consumption, enabling us to minimize food wastage. Moreover, we work with suppliers to ensure our goods are packed and delivered using materials that secure their quality and safety.

New products launched	69 (2024: 16)

[a] 7 from Shakey's, 3 from Peri-Peri, 3 from Potato Corner, 10 from Potato Corner (International), 46 from BMI.

Food Quality and Safety

[GRI 3-3: Management of material topics]
[GRI 2-27: Compliance with laws and regulations]
[GRI 416-1: Assessment of the health and safety impacts of product and service categories]
[GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services]

We ensure that our food is of excellent quality and safe for consumption. We promote and adhere to our health and safety protocols that align with the highest standards demanded by the industry at every stage of our operations, from product development to sourcing, logistics, and production to serving our guests.

Product Development

We fully comply with the Food and Drug Administration (FDA) Philippines and the National Meat Inspection Service (NMIS) requirements. SPAVI's R&D team has developed and implemented our internal principles and standards in food safety and quality. To ensure safety and quality, a shelf-life guide of materials is maintained.

Audit on Receiving

All materials must be thoroughly inspected upon arrival. Product temperature, delivery vehicle cleanliness, hygiene, shelf-life, and packaging integrity are measured for compliance. Stringent receiving procedures are also carried out for materials delivered to our stores.

Audit on Dispatching

The inspection extends to the dispatching activities to our stores—from the delivery vehicles' compliance with hygiene and temperature requirements, quality and safety of finished products, to the packaging interior before dispatch.

Food Safety Training

SPAVI employees are trained in food handling and serving, as well as recognizing and preventing food-related health hazards. We require all our food handlers to be trained as food service professionals using ServSafe standards. The training includes food safety, time and temperature, cleaning and sanitation, cross-contamination and allergens, and personal hygiene.

Risk-based Approach to Food Safety and Quality Management System

To proactively lessen and manage risk, we use a risk-based approach for our food safety and quality management system. Instead of basing it just on complaints, we conduct enterprise-wide risk mapping across raw materials, suppliers, warehouses, and logistics operations. This allows us to shift from reactive quality control to predictive, data-driven risk management.

Quality, Service, Cleanliness, Hospitality (QSCH) Audits

% of Shakey's stores that underwent internal QSCH audits	98% (2024: 100%)
% of Peri-Peri stores that underwent internal QSCH audits	89% (2024: 96%)
% of Potato Corner (PC) stores that underwent PC QSCH audits[a]	76% (2024: 100%)

[a] *The end of the audit was on December 15, 2025.*

Our internal and external QSCH audits ensure that safety and quality controls are consistently maintained for both our food and service across all our stores.

Our internal QSCH audit is conducted thrice a year across our company-owned and franchised stores to help us benchmark against similar players in the dining industry. Stores are assessed on:

- **Service and Hospitality:** We emphasize THINK GUEST—one of the main components of our WOW! Culture. This includes the cleanliness and conditions of our stores and how we attend to and serve our guests.

- **Product Quality:** We pay extra attention to the standard product freshness, storage, food preparation, and other quality control points.

Potato Corner is building the capability to audit international stores. Thailand, a major market under a franchisee, has its own store audit system. The third-party audit is executed by Mystery Guests who appraise our stores on service and hospitality, cleanliness and conditions of stores, and food quality.

Mystery Guest Audits in 2025

Number of Shakey's stores covered by mystery guest audits	283 (2024: 256)
Number of Peri-Peri stores covered by mystery guest audits	76 (2024: 71)

For complaints about food quality and service, we train our staff to promptly address these incidents through replacements, vouchers, and free meals. Our staff escalates these to store managers, who are empowered to decide how to resolve them correctly and prevent the recurrence of such incidents

Healthier Products

[GRI 3-3: Management of material topics]

SPAVI is committed to evolving alongside guests' tastes. We will continue to offer choices that delight guests while also providing indulgences for the growing segment of health-conscious and environmentally minded guests.

To meet guest demands, we have broadened our selection of healthier options, including more vegetable-based products such as Shakey's Creammmy Spinach Pizza and Roasted Tomato Soup, and balanced diet choices from Peri-Peri, which features three kinds of Healthy Plates on its menu, alongside its Signature Salad.

The following summarizes the healthy offerings in the menu across our brands as of 2025:

Shakey's	• Creammmy Spinach pizza • Roasted Tomato Soup • Caesar Salad • Tuna Caesar • Greek Salad • Zesty BLT • Truffle Greens • Spinach & Mushroom • Spinach & Shrimp
Peri-Peri	• Healthy Plates 1, 2, and 3 • Signature Salad

Nutritional Transparency

[GRI 3-3: Management of material topics]

SPAVI recognizes the importance of nutritional transparency as a tool to promote healthier lifestyles for guests. Currently, nutritional value and allergen information for Potato Corner's flavored fries and allergen information for all Shakey's offerings are readily disclosed upon customer request.

Enterprise-Wide Nutritional & Allergen Disclosure Implementation

To improve our food safety for guests, we implemented calorie, nutrient, and allergen transparency standards across all our brands. These efforts to disclose calorie, nutrient, and allergen information were also implemented to comply with the Food Safety Act of 2013 and Quezon City Calorie Labelling Ordinances.

Nutritional information has been specifically included on menus in our Quezon City branches, but it is also available upon requests from our store staff and social media team. Guests can also find nutritional information for Shakey's on their website and app. Additionally, SPAVI has also standardized allergen disclosure framework to cover all our products across our brands.

This initiative shows that we are willing and ready to comply with evolving regulatory requirements for food safety. With nutritional information about our ingredients readily available, we aim to strengthen our guests' trust and enable them to make informed dietary and health choices. This initiative also reduces allergen exposure, providing guests with more peace of mind.

Anti-Corruption

[GRI 3-3: Management of material topics]
[GRI 205-1: Operations assessed for risks related to corruption]
[GRI 205-2: Communication and training about anti-corruption policies and procedures] [GRI 205-3: Confirmed incidents of corruption and actions taken]

SPAVI has in place a zero-tolerance policy against corruption that applies to the entire organization. New hires are all required to undergo anti-corruption training during onboarding sessions and our Board of Directors receive 1:1 training on management and reporting for incidents.

The anti-corruption program and procedures are listed on the Company website. Our Code of Business Conduct and Ethics also covers elements of anti-corruption with provisions on Conflict of Interest, Conduct of Business, Receipt of Gifts, Compliance with Laws, Whistleblowing, among others.

In 2025, 1,271 operations (100% of total) were assessed for anti-corruption. There were zero confirmed incidents of corruption for the year.

The risks identified and addressed were primarily around employee collusion, especially at the store level. SPAVI has mitigating policies in place and conducts regular audits to manage the risk.

2025 Sustainability Data Summary

ECONOMIC

Economic Value Generated	UOM	2023	2024	2025
Direct economic value generated (revenues)	million Php	12,849	14,500	16,151
Economic value distributed		11,680	12,918	**14,681**
Employee wages and benefits		1,617	1,872	2,233
Payments to suppliers, workers, and other operating costs[1]		9,490	9,792	**11,057**
Dividends paid to stockholders and interest payments to loan providers		407	620	645
Taxes given to government		346	635	746
Economic value retained		989	1,584	1,470

Procurement practices

	UOM	2023	2024	2025
Percentage of procurement budget used for significant locations of domestic operations that is spent on local suppliers	%	62%	72%	72%

SOCIAL

Employees

Employees by Gender	UOM	2023			2024			2025		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	**head/ % of total**	**1,123 (49%)**	**1,146 (51%)**	**2,269 (100%)**	**1,158 (51%)**	**1,130 (49%)**	**2,288 (100%)**	**1,270 (51%)**	**1,214 (49%)**	**2,484 (100%)**
Executive/Senior leaders	head	5	1	6	8	2	10	5	3	8
Mancom		17	14	31	19	22	41	22	19	41
Middle Management		76	109	185	87	113	200	192	212	404
Frontline Leaders		429	454	883	440	413	853	404	398	802
Rank and File		596	568	1,164	604	580	1,184	647	582	1,229

Employees by Age	UOM	2023			2024			2025		
		< 30 years	30-50 years	>50 years	< 30 years	30-50 years	>50 years	< 30 years	30-50 years	>50 years
Full-time employees	**head/ % of total**	**907 (40%)**	**1,286 (57%)**	**76 (3%)**	**685 (30%)**	**1,492 (65%)**	**111 (5%)**	**746 (30%)**	**1,643 (66%)**	**95 (4%)**
Executive	head	0	2	4	0	4	6	0	6	2
Mancom		1	18	12	0	24	17	0	29	12
Middle Management		22	145	18	9	154	37	17	343	44
Frontline Leaders		281	588	14	169	665	19	184	606	12
Rank and File		603	533	28	507	645	32	545	659	25

		2023			2024			2025		
		Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
New hires	head/ % of total	467 (51%)	452 (49%)	919 (100%)	380 (48%)	408 (52%)	788 (100%)	337 (50%)	343 (50%)	680 (100%)
New hire rate	%			41%			34%			27%
Turnover	head/ % of total	359 (54%)	302 (46%)	661 (100%)	269 (48%)	296 (52%)	721 (100%)	277 (50%)	276 (50%)	553 (100%)
Turnover rate	%			29%			25%			22%

[1] Value includes all other operating costs and investments to the community such as donations and CSR activities.

Workers

	UOM	2023	2024[2]	2025
Total	head	4,831	4,664	6,989

Jobs Supported		2023	2024	2025
Jobs supported across the PIZZA value chain[3]	number	18,187	20,725	22,830

Diversity and equality – Governance bodies

Board of Directors	UOM	2023			2024			2025		
By gender		Male	Female	Total	Male	Female	Total	Male	Female	Total
	head/ % of total	8 (89%)	1 (11%)	9 (100%)	8 (89%)	1 (11%)	9 (100%)	6 (67%)	3 (33%)	9 (100%)
By age		<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
	head/ % of total	0 (0%)	2 (22%)	7 (78%)	0 (0%)	2 (22%)	7 (78%)	0 (0%)	2 (22%)	7 (78%)

Parental leave - Maternity and Paternity Leave

	UOM	2023			2024			2025		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees entitled to parental leave	head	**6**	**61**	**67**	**182**	**151**	**333**	**384**	**1176**	**1560**
Employees that took parental leave		6	61	67	8	9	17	15	77	92
Employees that returned to work within reporting period		6	59	65	8	9	17	15	77	92
Employees still employed 12 after their return to work		6	59	65	7	9	16	15	77	92

Training and Development

	UOM	2023			2024			2025		
		Male	Female	Total	Male	Female	Total	Male	Female[4]	Total
Average training hours per employee	hours	**84**	**92**	**88**	**115**	**194**	**119**	**217**	**208**	**213**
Executive		32	51	36	4	16	11	8	3	6
Mancom		36	37	37	41	40	98	25	15	20
Middle manager		15	11	12	662	576	3,317	491	380	433
Frontline Leaders		192	205	198	9	13	500	5	7	6
Rank and File		16	19	17	118	118	4,355	276	291	283

Anti-corruption

	UOM	2023	2024	2025
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	100	100
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	100	100
Percentage of directors and management that have received anti-corruption training	%	100	100	100

[2] Restated 2024 data to remove full-time employees counts.

[3] This figure includes company-owned restaurant and corporate support employees and workers, as well as those whose jobs are indirectly supported through our business relationships such as our franchised staff, store riders, participants from our inclusive hiring programs, call center agents, and maintenance and utilities staff.

[4] All female married or solo parents.

Total number and nature of confirmed incidents of corruption	number	0	28[5]	0

ENVIRONMENT

	UOM	2023	2024	2025
Energy[6]				
Non-renewable (total)[7]	GJ	66,673,325	37,217,077	34,875,033
Gasoline	GJ	29,930	15,171	15,221
LPG	GJ	66,375,317	37,034,467	34,699,555
Diesel	GJ	453	278	300
Electricity	GJ	267,625	167,161	159,956
Renewable (total)	GJ	0	0	
Energy intensity (per million Php)	GJ/million Php	3,576.51	1,712.15	1,425.10
Water[8]				
Water consumption	CBM	1,107,528	136,824	111,693
Water discharge	CBM	483,716	642,162	494,096
Water withdrawal	CBM	1,236,342	778,985	605,789
Water intensity (per million Php)[5]	CBM/ million Php	66.32	35.84	24.75
Emissions[9]				
GHG emissions (Scope 1 and 2)[10]	tCO2e	4,014,456,194	2,373,032	2,224,152
GHG emissions (Scope 1)	tCO2e	4,014,403,249	2,339,962	2,192,507
GHG emissions (Scope 2)	tCO2e	52,945	33,070	31,645
GHG emissions intensity (per million Php)	tCO2e/million Php	215,344.72	109	91
Materials used				
Total materials used	MT	47,540	143,034[11]	116,249
Renewable	MT	46,202	74,635	66,364
Non-renewable	MT	1,338	68,399	49,885
Waste				
Total waste generated	kg	208,991	619,348[12]	459,772
Total waste diverted from disposal	kg	48,106	489,333	316,879
Total waste directed to disposal	kg	160,885	130,015[13]	142,893
Non-hazardous/solid waste (total)	**kg**	**208,991**	**179,375**[14]	**142,729**
By method				
Disposed				
Incineration	kg	86,872	0	0
Landfilled	kg	74,013	129,959[15]	142,729
Other disposal operations	kg	0	0	0
Diverted				
Preparation for reuse	kg	0	0	0
Recycling[16]	kg	48,106	31,241	0
Other recovery operations, including composting[17]	kg	0	18,175	0

[6] 2023 and 2024 energy, water, and emissions figures comprise all Company-Owned (CO) and Franchised Stores (FS) across all our brands, covering our domestic and international footprint, as well as our corporate support office and commissary. These are total numbers representing our systemwide view of the PIZZA business – within (CO) and outside (FS) the company.

[7] Energy data for 2023 and 2024 have been restated upon refinement of calculation methods. Furthermore, franchised data was included in the 2023 figure, but excluded for succeeding years.Restated gasoline to correct data from Shakey's and Peri-Peri business units.

By location				
Onsite recovery operation[18]	kg	0	5,273	0
Offsite recovery operation[19]	kg	48,106	44,143	0
Onsite disposal operation	kg	0	0	0
Offsite disposal operation	kg	160,885	129,959[20]	142,729
Hazardous/solid waste (total)	**kg**	Data unavailable	**439,973**	**317,044**
By method				
Disposed				
Incineration	kg		0	0
Landfilled	kg		56	164
Other disposal operations	kg		0	0
Diverted				
Preparation for reuse	kg		79,983[21]	75,261
Recycling	kg		359,934[22]	241,619
Other recovery operations, including composting	kg		0	0
By location				
Onsite recovery operation	kg		439,917	316,879
Offsite recovery operation	kg		0	0
Onsite disposal operation	kg		0	0
Offsite disposal operation[23]	kg		56	164

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[7] Energy data for 2023 and 2024 have been restated upon refinement of calculation methods. Furthermore, franchised data was included in the 2023 figure, but excluded for succeeding years.Restated gasoline to correct data from Shakey's and Peri-Peri business units.

[8] Restatement in 2024 to exclude franchised data.

[9] Standards used for the computation are based on the GHG Protocol Corporate Protocol and Reporting Standard. Location-based grid emission factors are based on the Philippine Department of Energy. The gasses reported include carbon dioxide, methane, and nitrous oxide

[10] Energy data for 2023 and 2024 have been restated upon refinement of calculation methods. Furthermore, franchised data was included in the 2023 figure, but excluded for succeeding years.

[11]2024 materials data has been restated due to improvements in data collection.

[12] Restatement in 2024 to exclude franchised stores.

[13] Restatement in 2024 to exclude franchised stores.

[14] Restatement in 2024 to exclude franchised stores.

[15] Restatement in 2024 to exclude franchised stores.

[16] For 2025, non hazardous materials from BMI were directed to landfill.

[17] For 2025, food waste from BMI were directed to landfill.

[18] For 2025, wood and metal waste from BMI were directed to disposal.

[19] For 2025, food, plastic, paper waste from BMI were directed to disposal.

[20] Restatement in 2024 to exclude franchised stores.

[21] Restated to correct the figure, which was switched with the figure for Recycling.

[22] Restated to correct the figure, which was switched with the figure for Preparation for Reuse.

[23] Bulbs for stores.

Content Indices for Sustainability Disclosures

PH SEC Form 17-A Annex B Content Index 2025

This report complies with the Philippine Stock Exchange Sustainability Reporting Guidelines for Publicly Listed Companies.

Contextual Information	**Location and additional information**
Name of Organization	Shakey's Pizza Asia Ventures Inc. (PIZZA)
Location of Headquarters	Philippines
Locations of Operations	Philippines
Report Boundary	This sustainability report aggregates all data points and information disclosed under each sustainability focus area to cover all businesses under SPAVI: Shakey's Pizza, PeriPeri, Project Pie, R&B, and Potato Corner. This includes all our company-owned stores, commissaries, and corporate support offices in the Philippines and internationally. Shakey's International stores, which account for only 1% of sales and store network, will be excluded.
Business Model, including Primary Activities, Brands, Products, and Services	Full-service restaurant chain, specializing in casual dining
Reporting Period	January 1, 2025 – December 31, 2025
Highest Ranking Person responsible for this report	Christopher Po, Chairman
Contact for questions regarding the report	Investor Relations, investorrelations@shakeys.biz
"Comply or Explain" Provisions	
Materiality Process	Our Sustainability Commitment: Materiality Process
Economic: Economic Performance Direct Economic Value Generation and Distributed	Our Sustainability Commitment: Governing and Operationalizing Sustainability Sustainability Data Summary SEC 17-A 2025 Annual Report - Management's Discussion and Analysis or Plan of Operation
Economic: Economic Performance Climate-related risks and opportunities	Planet: Environmental Impact Management Sustainability Data Summary
Economic: Procurement Practices Proportion of spending on local suppliers	Planet: Local Sourcing Sustainability Data Summary
Economic: Anti-corruption Training on Anti-corruption Policies and Procedures, Incidents of Corruption	Corporate Governance: Anti-Corruption Sustainability Data Summary
Environment: Resource Management Energy consumption within the organization, Reduction of energy consumption, Water consumption within the organization, Materials used by the organization	Planet: Natural Resource Efficiency, Environmental Impact Management Sustainability Data Summary

Environmental: Environmental Impact Management Air Emissions, Solid and Hazardous Wastes	Planet: Natural Resource Efficiency, Environmental Impact Management Sustainability Data Summary
Social: Employee Management Employee Hiring and Benefits, Employee Training and Development, Labor-Management Relations, Diversity and Equal Opportunity	People: Employees Sustainability Data Summary
Social: Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety, Labor Laws and Human Rights	People: Workplace Culture and Environment Sustainability Data Summary
Social: Supply Chain Management	Planet: Supply Chain Management People: Guests Sustainability Data Summary
Social: Relationship with Community Significant Impacts on Local Communities	People: Community Engagement Planet: Net Zero Plastic Waste, Local Sourcing

GRI Content Index 2025

SPAVI has prepared its sustainability disclosures and annual report with reference to the latest 2021 Global Reporting Initiative (GRI) Standards. As part of our ongoing commitment to inspire our stakeholders to contribute to sustainable development, we continue to share not only our progress and opportunities, but also our challenges and learnings. Together with available public information listed below, this report references GRI Standards as summarized in the following table.

GRI Standards		**Location of disclosure in this report**	**Additional references**
GRI 1: Foundation			
GRI 2: General Disclosures			
2-1	Organizational details	PH SEC Form 17-A Annex B Content Index 2025	
2-2	Entities included in the organization's sustainability reporting	PH SEC Form 17-A Annex B Content Index 2025	
2-3	Reporting period, frequency, and contact point	PH SEC Form 17-A Annex B Content Index 2025	
2-6	Activities, value chain and other business relationships	Sustainability at Shakey's: Understanding Our Impacts	
2-7	Employees	People: Employees Sustainability Data Summary	
2-8	Workers who are not employees	Sustainability Data Summary	
2-9	Governance structure and composition		The Board
2-10	Nomination and selection of the highest governance body		Corporate Governance and Sustainability Charter
2-11	Chair of the highest governance		The Board
2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Commitment: Governing and Operationalizing Sustainability	
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability report		
2-15	Conflicts of interest		Governance Documents
2-16	Communication of critical concerns		Governance Documents
2-17	Collective knowledge of the highest governance body		SEC 17-A Annual Report 2025 - Directors
2-19	Remuneration practices		SEC 17-A Annual Report 2025 - Executive Compensation
2-20	Process to determine remuneration		
2-22	Statement on sustainable development strategy	Sustainability at Shakey's: Our Sustainability Commitment	
2-23	Policy commitments		Governance Documents
2-24	Embedding policy commitments		
2-25	Processes to remediate negative impacts	Sustainability At Shakey's: How We Engage People: Employee Engagement	
2-26	Mechanisms for seeking advice and raising concerns	Sustainability At Shakey's: How We Engage	
2-27	Compliance with laws and regulations	People: Workplace Culture and Environment Planet: Supply Chain Management Pizza: Food Quality and Safety Sustainability Data Summary	
2-28	Membership associations	Direct Answer: Philippine Franchising Association (Shakey's and Potato Corner)	
2-29	Approach to stakeholder engagement	Sustainability at Shakey's: How We Engage	
2-30	Collective bargaining agreements	People: Employee Engagement	
GRI 3: Material Topics			
3-1	Process to determine material topics	Our Sustainability Commitment: Materiality Process	
3-2	List of material topics	Our Sustainability Commitment: Sustainability Framework	
3-3	Management of Material topics	People: Diversity & Inclusion, Talent Acquisition and Management, Employee Engagement, Workplace Culture and Environment, External	

		Guest Engagement, Job Creation and Livelihood Support, Entrepreneurship, Planet: Water Consumption Reduction, Energy Consumption Reduction, Greenhouse Gas Emissions Management, Landfill Waste Management, Plastic Footprint Reduction, Supplier Credibility, Local Sourcing Pizza: Product Development and Innovation, Food Quality and Safety, Healthier Products, Nutritional Transparency	
GRI 200: Economic Disclosures			
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	Sustainability Data Summary	
201-3	Defined benefit plan obligations and other retirement plans		SEC 17-A Annual Report 2025 - Retirement Plan Obligations
GRI 203: Indirect Economic Impacts			
203-2	Significant indirect economic impacts	People: Community Engagement	
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	Planet: Local Sourcing Sustainability Data Summary	
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	Governance: Anti-Corruption	
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		
GRI 206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Direct Answer: There were zero (0) incidents of legal action during the reporting period.	
GRI 300: Environmental Disclosures			
GRI 301: Materials			
301-1	Materials used by weight or volume	Planet: Landfill Waste Management Sustainability Data Summary	
GRI 302: Energy			
302-1	Energy consumption within the organization	Planet: Energy Consumption Reduction Sustainability Data Summary	
302-3	Energy intensity		
GRI 303: Water and Effluents			
303-2	Management of water discharge-related impacts	Planet: Water Consumption Reduction	
303-3	Water withdrawal	Planet: Water Consumption Reduction Sustainability Data Summary	
303-4	Water discharge	Sustainability Data Summary	
303-5	Water consumption		
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Planet: Greenhouse Gas (GHG) Emissions Management Sustainability Data Summary	
305-2	Energy indirect (Scope 2) GHG emissions		
305-4	GHG emissions intensity		
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Planet: Landfill Waste Management Sustainability Data Summary	
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		
GRI 400: Social Disclosures			

GRI 401: Employment			
401-1	New employee hires and employee turnover	People: Talent Acquisition and Management Sustainability Data Summary	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People: Employee Engagement	
401-3	Parental leave	Sustainability Data Summary	
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	People: Workplace Culture and Environment	
403-2	Hazard identification, risk assessment, and incident investigation		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Planet: Supply Chain Management	
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	People: Talent Acquisition and Management Sustainability Data Summary	
404-2	Programs for upgrading employee skills and transition assistance programs	People: Talent Acquisition and Management	
404-3	Percentage of employees receiving regular performance and career development reviews		
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	People: Diversity and Inclusion Sustainability Data Summary	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Direct Answer: There were zero (0) incidents of discrimination during the reporting period.	
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	People: Community Engagement Planet: Landfill Waste Management, Plastic Footprint Reduction, Local Sourcing	
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	Pizza: Food Quality and Safety	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Direct Answer: There were zero (0) incidents of non-compliance during the reporting period.	
GRI 417: Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling	Direct Answer: There were zero (0) incidents of non-compliance during the reporting period.	
417-3	Incidents of non-compliance concerning marketing communications	Direct Answer: There were zero (0) incidents of non-compliance during the reporting period.	
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Direct Answer: There was one (1) substantiated complaint on customer privacy and three (3) security incidents on data privacy during the reporting period.	

ANNEX C

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of Shakey's Pizza Asia Ventures, Inc. and Subsidiaries (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein as at December 31, 2025 and 2024, and each of the three years in the period ended December 31, 2025, 2024 and 2023, in accordance with the Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards of Auditing and its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Christopher T. Po
Chairman of the Board

Vicente L. Gregorio
President & Chief Executive Officer

Myrose April C. Victor
Chief Finance Officer

Signed this APR 14 2026 day of April, 2026.

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) s.s.

SUBSCRIBE AND SWORN to before me this APR 14 2026 affiant(s) exhibiting to me the Passport Numbers, as follows:

Name	Passport No.	Date Issue	Place of Issue
Christopher T. Po	P8631182A	Sept. 6, 2018	DFA Manila
Vicente L. Gregorio	P4438672B	Jan. 18, 2020	DFA NCR South
Myrose April C. Victor	P8919292B	Feb. 11, 2022	DFA Manila

Notary Public

Bcg
ATTY. BRENDA C. GARCIA
Notary Public City of Taguig
Until 31 December 2026
IBP O.R. No. INY584820/1-3-2026/Makati City
PTR No. A-6736209 on Nov. 27, 2025 at Taguig City
Appointment No. 125(2025-2026)
MCLE Compliance No. VIII-0009332 APRIL 14, 2028
BGC, Taguig City
Roll No. 39443

Doc. No. 491
Page No. 100
Book No. VI
Series of 2026.

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	4	6	6	6

C O M P A N Y   N A M E

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

15Km East Service Road corner Marian Road 2, Barangay San Martin de Porres, Parañaque City 1700

Form Type	Department requiring the report	Secondary License Type, If Applicable
ACFS	CRMD	NA

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
shakeyspizza.ph	(02)8839-0011	NA

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
40	June 20	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Myrose April C. Victor	mcvictor@shakeys.biz	(02)8839-0011	NA

CONTACT PERSON's ADDRESS

15Km East Service Road corner Marian Road 2, Barangay San Martin de Porres, Parañaque City 1700

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Shakey's Pizza Asia Ventures Inc.
15Km East Service Road corner Marian Road 2
Barangay San Martin de Porres, Parañaque City 1700

Opinion

We have audited the consolidated financial statements of Shakey's Pizza Asia Ventures Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Building a better working world

Impairment assessment of Goodwill and Trademarks with Indefinite Useful Life

Under PFRS Accounting Standards, the Group is required to annually test for impairment the amount of goodwill and trademarks with indefinite useful life. As of December 31, 2025, the Group's goodwill, which are attributable to the Potato Corner, Bakemasters and Peri-Peri businesses, amounting to ₱1.3 billion, and trademarks with indefinite useful life attributable to Shakey's, Potato Corner and Peri-Peri, amounting to ₱8.8 billion, are significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically revenue growth rate, gross margin, capital expenditures, discount rate and long-term revenue growth rate.

The Group's disclosures about goodwill and trademarks with indefinite useful life are included in Notes 5 and 12 to the consolidated financial statements.

Audit response

We obtained an understanding of the management's assessment process for evaluating the impairment of goodwill and trademarks with indefinite useful life. We involved our internal specialist in evaluating the methodologies and the assumptions used. We compared the key assumptions used, such as revenue growth rate against the historical performance of the cash generating units and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of the significant assumptions to evaluate the change in the fair value of the cash generating units.

We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and trademarks with indefinite useful life.

Other Information

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Christine G. Vallejo.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 99857-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-105-2025, October 20, 2025, valid until October 19, 2028
PTR No. 10765144, January 2, 2026, Makati City

April 14, 2026

SHAKEY’S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash (Notes 7 and 29)	**₱1,167,134,283**	₱1,319,799,492
Trade and other receivables (Notes 8, 18 and 29)	**1,729,416,840**	1,560,255,051
Inventories (Note 9)	**1,490,438,659**	1,759,910,852
Prepaid expenses and other current assets (Note 10)	**534,970,041**	630,309,536
Total Current Assets	**4,921,959,823**	5,270,274,931
Noncurrent Assets		
Property and equipment (Note 11)	**2,635,637,656**	2,317,956,225
Intangible assets (Note 12)	**10,451,917,509**	10,354,987,940
Right-of-use assets (Note 14)	**2,106,371,689**	1,803,635,740
Deferred input value-added tax	**–**	1,336,297
Deferred tax assets - net (Note 28)	**298,714,054**	206,391,374
Rental deposits and other noncurrent assets (Notes 14, 29 and 30)	**539,392,774**	420,939,042
Total Noncurrent Assets	**16,032,033,682**	15,105,246,618
TOTAL ASSETS	**₱20,953,993,505**	₱20,375,521,549
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans payable (Notes 15)	**₱1,220,000,000**	₱1,000,000,000
Income tax payable	**85,955,583**	141,506,728
Accounts payable and other current liabilities (Notes 16, 18 and 29)	**2,347,318,430**	2,212,546,716
Current portion of:		
Long-term loans payable (Notes 17 and 29)	**3,549,060,215**	47,819,494
Lease liabilities (Note 13)	**354,296,695**	293,913,746
Contract liabilities (Note 20)	**107,664,098**	101,014,484
Total Current Liabilities	**7,664,295,021**	3,796,801,168
Noncurrent Liabilities		
Noncurrent current portion of:		
Long-term loans payable (Notes 17 and 29)	**1,280,000,000**	5,144,751,497
Lease liabilities (Note 13)	**2,100,456,682**	1,827,842,338
Contract liabilities (Note 20)	**128,738,260**	121,045,193
Accrued pension costs (Note 25)	**202,811,390**	152,214,080
Deferred tax liabilities - net (Note 28)	**169,852,137**	396,952,983
Dealers' deposits and other noncurrent liabilities (Note 30)	**105,559,382**	82,188,507
Total Noncurrent Liabilities	**3,987,417,851**	7,724,994,598
Total Liabilities	**11,651,712,872**	11,521,795,766
Equity		
Capital stock (Note 19)	**1,683,760,178**	1,683,760,178
Additional paid-in capital (Note 19)	**2,451,116,470**	2,451,116,470
Retained earnings (Note 19)	**5,123,918,370**	4,645,088,555
Other components of equity	**43,485,615**	73,760,580
Total Equity	**9,302,280,633**	8,853,725,783
TOTAL LIABILITIES AND EQUITY	**₱20,953,993,505**	₱20,375,521,549

See accompanying Notes to Consolidated Financial Statements.

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS (Notes 20)	**₱16,049,646,251**	₱14,451,839,459	₱12,823,923,008
COST OF SALES (Notes 21)	**12,380,181,221**	10,813,468,207	9,683,398,537
GROSS INCOME	**3,669,465,030**	3,638,371,252	3,140,524,471
GENERAL AND ADMINISTRATIVE EXPENSES (Note 22)	**(2,335,711,925)**	(1,996,077,603)	(1,553,403,975)
INTEREST EXPENSE (Note 26)	**(494,343,320)**	(410,963,852)	(361,489,106)
INTEREST INCOME (Note 7)	**2,907,864**	1,928,966	464,950
OTHER INCOME - Net (Note 27)	**98,751,425**	29,657,229	18,314,382
INCOME BEFORE INCOME TAX	**941,069,074**	1,262,915,992	1,244,410,722
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 28)			
Current	**447,610,977**	411,147,231	291,971,466
Deferred	**(322,123,755)**	(341,638,782)	(127,007,314)
	125,487,222	69,508,449	164,964,152
NET INCOME	**815,581,852**	1,193,407,543	1,079,446,570
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gain (loss) on defined benefit obligation – net of tax (Note 25)	**7,908,816**	6,002,303	2,361,757
Unrealized gain (loss) on increase in fair value of financial assets at FVOCI - net of tax (Note 14)	**(2,040,000)**	16,865,327	–
Translation gain (loss) from foreign subsidiaries	**(36,143,781)**	14,993,230	–
	(30,274,965)	37,860,860	2,361,757
TOTAL COMPREHENSIVE INCOME	**₱785,306,887**	₱1,231,268,403	₱1,081,808,327
Basic/Diluted Earnings Per Share (Note 32)	**₱0.48**	₱0.71	₱0.64

See accompanying Notes to Consolidated Financial Statements.

SHAKEY’S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Capital Stock (Note 19)	**Additional Paid-in Capital** (Note 19)	**Retained Earnings** (Note 19)	**Other Components of Equity** (Note 25)	**Total**
Balances at January 1, 2025	**₱1,683,760,178**	**₱2,451,116,470**	**₱4,645,088,555**	**₱73,760,580**	**₱8,853,725,783**
Total comprehensive income	**–**	**–**	**815,581,852**	**(30,274,965)**	**785,306,887**
Cash dividends (Note 19)	**–**	**–**	**(336,752,037)**	**–**	**(336,752,037)**
Balances at December 31, 2025	**₱1,683,760,178**	**₱2,451,116,470**	**₱5,123,918,370**	**₱43,485,615**	**₱9,302,280,633**
Balances at January 1, 2024	₱1,683,760,178	₱2,451,116,470	₱3,788,433,048	₱35,899,720	₱7,959,209,416
Total comprehensive income	–	–	1,193,407,543	37,860,860	1,231,268,403
Cash dividends (Note 19)	–	–	(336,752,036)	–	(336,752,036)
Balances at December 31, 2024	₱1,683,760,178	₱2,451,116,470	₱4,645,088,555	₱73,760,580	₱8,853,725,783
Balances at January 1, 2023	₱1,683,760,178	₱2,451,116,470	₱2,877,362,495	₱33,537,963	₱7,045,777,106
Total comprehensive income	–	–	1,079,446,570	2,361,757	1,081,808,327
Cash dividends (Note 19)	–	–	(168,376,017)	–	(168,376,017)
Balances at December 31, 2023	₱1,683,760,178	₱2,451,116,470	₱3,788,433,048	₱35,899,720	₱7,959,209,416

See accompanying Notes to Consolidated Financial Statements.

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱941,069,074**	₱1,262,915,992	₱1,244,410,722
Adjustments for:			
Depreciation and amortization (Note 24)	**1,188,902,095**	923,747,392	757,777,196
Interest expense (Note 26)	**494,343,320**	410,963,852	361,489,106
Movement in pension costs (Note 25)	**61,102,141**	37,853,599	34,234,887
Provision for (reversal of):			
Legal and other contingencies– net (Note 27)	**(12,361,296)**	12,361,296	–
Loss (gain) on:			
Disposal of property and equipment (Note 27)	**7,051,865**	7,865,551	(1,228,757)
Pre-terminations of leases (Note 27)	**(25,548,805)**	(8,132,638)	1,226,148
Interest income from accretion (Note 27)	**(6,256,971)**	–	(1,692,305)
Interest income from cash in bank (Note 7)	**(2,907,864)**	(1,928,966)	(464,950)
Net unrealized foreign exchange loss (gain)	**(481,695)**	(1,646,993)	261,300
Income before working capital changes	**2,644,911,864**	2,643,999,085	2,396,013,347
Decrease (increase) in:			
Trade and other receivables	**(169,161,789)**	(335,465,479)	(91,723,180)
Inventories	**269,472,193**	(47,692,863)	(711,103,929)
Prepaid expenses and other current assets	**95,339,495**	4,877,757	95,697,060
Deferred input value-added tax	**1,336,297**	2,550,113	5,766,913
Increase (decrease) in:			
Contract liabilities (Note 20)	**(33,026,586)**	70,291,818	67,084,402
Accounts payable and other current liabilities	**134,771,713**	447,049,124	(379,076,999)
Dealers' deposits and other noncurrent liabilities	**23,370,875**	(24,438,213)	(40,008,683)
Cash generated from operations	**2,967,014,062**	2,761,171,342	1,342,648,931
Income taxes paid	**(503,162,122)**	(411,790,822)	(201,976,951)
Interest received	**2,907,864**	1,928,966	464,950
Net cash provided by operating activities	**2,466,759,804**	2,351,309,486	1,141,136,930
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of:			
Property and equipment (Note 11)	**(883,705,908)**	(977,021,389)	(448,155,633)
Software (Note 12)	**(121,295,697)**	(15,404,868)	(52,909,939)
Franchise right (Note 12)	**(13,743,787)**	(7,726,152)	–
Proceeds from:			
Disposal of property and equipment (Note 27)	**23,122,867**	21,464,264	27,577,982
Payment of rental and other deposits and advances (Note 33)	**(114,596,761)**	(111,825,330)	(37,256,866)
Net cash used in investing activities	**(₱1,110,219,286)**	(₱1,090,513,475)	(₱510,744,456)

(Forward)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of:			
Short-term loans (Note 15)	**₱–**	₱300,000,000	₱700,000,000
Payments of:			
Short-term loans (Note 15)	**(100,000,000)**	–	(500,000,000)
Lease liabilities (Note 13)	**(713,427,815)**	(473,742,119)	(461,980,269)
Long-term loans (Note 17)	**(51,054,913)**	(50,000,000)	(50,000,000)
Interest	**(308,452,658)**	(283,296,884)	(238,206,151)
Dividends (Note 19)	**(336,752,036)**	(336,752,036)	(168,376,017)
Net cash used in financing activities	**(1,509,687,422)**	(843,791,039)	(718,562,437)
NET INCREASE (DECREASE) IN CASH	**(153,146,904)**	417,004,972	(88,169,963)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**481,695**	1,646,993	(261,300)
CASH AT BEGINNING OF YEAR (Note 7)	**1,319,799,492**	901,147,527	989,578,790
CASH AT END OF YEAR (Note 7)	**₱1,167,134,283**	₱1,319,799,492	₱901,147,527

See accompanying Notes to Consolidated Financial Statements.

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Corporate Information
Shakey's Pizza Asia Ventures Inc., doing business under the name and style of Shakey's (SPAVI or the Parent Company), was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 14, 1974. The Parent Company and its subsidiaries (collectively referred to as "the Group") are involved primarily in the development, operations and franchising of fast casual restaurants under the trade names "Shakey's", "Peri-Peri" and "Potato Corner".

On December 15, 2016, the common shares of the Parent Company were listed and traded in the Philippine Stock Exchange (PSE) under the trading name "PIZZA".

The registered office address of the Parent Company is 15Km East Service Road corner Marian Road 2, Barangay San Martin de Porres, Parañaque City 1700.

Approval and Authorization for the Issuance of the Consolidated Financial Statements
The consolidated financial statements were approved and authorized for issuance by the Board of Directors (BOD) on April 14, 2026.

2. Basis of Preparation and Consolidation, and Statement of Compliance

Basis of Preparation
The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and which are carried at fair value. The consolidated financial statements are presented in Philippine peso, which is the Group's functional currency.

Statement of Compliance
The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its wholly owned subsidiaries as at December 31. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events with similar circumstances.

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

	Principal Activities	Place of Incorporation	Percentage of Ownership (%)
Bakemasters, Inc. (BMI)	Manufacturer of pizza dough and pastries	Philippines	100%
PC International Limited (PCIL)	Restaurant business	Singapore	100%
Shakey's International Limited (SIL)	Trademark	Hong Kong	100%
Shakey's Seacrest Incorporated (SSI)	Trademark	Philippines	100%
Shakey's Pizza Regional Foods Limited (SPRFL)	Trademark	Hong Kong	100%

(Forward)

	Principal Activities	Place of Incorporation	Percentage of Ownership (%)
Shakey's Pizza Commerce Inc. (SPCI)	Trading of goods	Philippines	100%
Wow Brand Holdings, Inc. (WBHI)	Restaurant business	Philippines	100%
Shanghai Miaomiao Shu Catering Co. LTD (SMSCCL)	Restaurant business	China	100%
SPAVI International USA Inc. (SIUI)*	Trademark	USA	100%
PC Americas Franchising Inc. (PAFI)**	Franchising	USA	100%
PC USA West Operations LLC (PUWOL)***	Restaurant business	USA	100%
Queensview International Limited (QIL)****	Trademark	British Virgin Islands	100%

**Incorporated on October 4, 2024*
***Incorporated on July 1, 2025*
****Incorporated on October 2, 2025*
*****QIL was already officially liquidated and dissolved*

3. Changes in Accounting Policies and Disclosures

The Group's accounting policies are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of this new standard did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 21, *Lack of exchangeability*

Standards Issued but Not Yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its parent company financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026
- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards -Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

The Group is currently assessing the impact of the new standard.

- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

4. Material Accounting and Financial Reporting Policies

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all subsidiaries it controls as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025.

The Parent Company's subsidiaries, including its ownership interest for each entity is disclosed in Note 2.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss included under "Remeasurement gain (loss) arising from business combination."

Goodwill is initially measured at cost where cost is the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss and included under "other income (expenses)."

Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated should:

- represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- not be larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within the unit that is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Financial Instruments

Financial Assets

Financial assets at amortized cost. The Group's cash, trade and other receivables and rental and other deposits included in "Rental deposits and other noncurrent assets" in the consolidated statement of financial position (see Notes 7, 8 and 14) are included in this category.

Financial assets at amortized cost are measured using the effective interest rate (EIR) method, net of any allowance for expected credit losses (ECL). The Group recognizes ECLs using a forward-looking approach that reflects the probability-weighted outcome of expected credit losses, considering historical loss patterns, current conditions, and reasonable and supportable forecasts of future economic conditions.

For trade receivables, the Group applies the simplified approach and recognizes lifetime ECLs for all balances. Trade receivables are generally assessed collectively based on shared credit risk characteristics, such as customer type and days past due, using a provision matrix.

Certain receivables, including those that are significant, long-outstanding, subject to disputes, credit-impaired, or relating to specific counterparties with distinct risk profiles, are assessed individually. In these cases, management applies judgment in estimating ECLs based on the counterparty's financial position, expected timing and amount of recoveries, and any available collateral or guarantees.

For other financial assets measured at amortized cost, ECLs are measured based on changes in credit risk since initial recognition. A financial asset is considered in default when contractual payments are more than 120 days past due or when other qualitative indicators suggest that full recovery is unlikely. Financial assets are written off when there is no reasonable expectation of recovery.

Financial assets designated at FVOCI. Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group's investment in club shares is classified as equity instruments designated at FVOCI.

Financial liabilities
The Group's financial liabilities are classified as loans and borrowing and payables. This category includes short-term and long-term loans payable, accounts payable and other current liabilities (excluding statutory liabilities), lease liabilities (see Notes 13, 15, 16 and 17), and dealers' deposits and other noncurrent liabilities. These are recognized initially at fair value, net of directly attributable transaction costs, and subsequently measured at amortized cost. A financial liability is derecognized when the obligation under the liability is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Group's profit or loss.

Prepayment Option
If the Group revises its estimates of payments or receipts, the Group shall adjust the carrying amount of the financial asset or financial liability (or group of financial instruments) to reflect actual and revised estimated cash flows. The entity recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate or, when applicable, the revised effective interest rate calculated. The adjustment is recognized in the consolidated statement of comprehensive income as income or expense.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Finished goods	-	determined using the moving average method, cost includes direct materials and labor, and a proportion of manufacturing overhead costs based on normal operating capacity but excluding borrowing costs.
Raw materials and merchandise	-	determined using the moving average method.

NRV of finished goods is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. NRV of raw materials and merchandise is the current replacement cost.

Property and Equipment
Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, amortization and any impairment in value.

Depreciation and amortization commence once the assets are available for use. Depreciation and amortization are computed using the straight-line basis over the following estimated useful lives of the property and equipment:

Category	Number of year(s)
Building	15-20
Leasehold improvements	2-10
Furniture, fixtures and equipment	2-10
Machinery and equipment	2-3
Transportation equipment	2-7
Shop and maintenance tools	3-10
Glassware and utensils	2

The useful lives and depreciation and amortization method are reviewed at each reporting date, and adjusted prospectively, if appropriate.

Construction in progress is stated at cost. This includes cost of construction and other direct costs related to the asset being constructed. Construction in progress is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for use. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Intangible Assets

The cost of intangible assets acquired in a business combination such as trademarks is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses.

Intangible assets with finite lives such as software and franchise right are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Amortization commences once the assets are available for use. Amortization is computed using the straight-line basis over the following estimated useful lives of the intangible assets with finite life:

Category	Number of year(s)
Software	10-15
Franchise	7

Intangible assets with indefinite useful lives, such as trademarks, are tested for impairment annually or more frequently if an indication of impairment exists either individually or at the CGU level. Such intangibles are not amortized. Trademarks are assessed to have indefinite useful life because it has no expiry as to usage. Intangible assets with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income.

Impairment of Nonfinancial Assets
The Group's property and equipment, right-of-use assets, intangible assets with definite useful lives and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's recoverable amount is determined for the individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the relevant CGU. An impairment loss is recognized when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use ("VIU").

In assessing VIU, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Fair value less costs of disposal is determined using observable market data where available or other appropriate valuation techniques.

Impairment losses are reversed when there has been a change in the estimates used to determine the recoverable amount. Reversals are limited to the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever events or changes in circumstances indicate that they may be impaired. Impairment losses recognized for goodwill are not reversed.

Dealers' Deposits
Dealers' deposits are initially recognized at fair value. The discount is recognized as deferred credits and amortized over the estimated remaining term of the deposits using the effective interest method.

Revenue from Contracts with Customers
Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Group has concluded that it is acting as principal in its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Restaurant Sales. Revenue from restaurant sales is recognized at a point in time which is when the related orders are served.

Sale of goods. Revenue from sales of goods consists of revenue from sale of raw materials and merchandise. Transaction price of merchandise sales, which excludes discounts, returns, rebates and sales taxes, is normally received and recorded at a point in time.

Franchise Revenue. Initial franchise fee is recognized on a straight-line basis over the term of the franchise agreement, which ranges from 5 to 10 years. The transaction price for franchise agreement is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component. In instances where a significant financing component has been identified from its contracts with customers, this is recognized as interest expense in the consolidated statement of comprehensive income.

Other franchise revenues consisting of royalty fees and various reimbursements from franchisees are recognized when earned. It also consists of reimbursements of system-wide advertising and promoting costs from franchisees which are recognized upon performance of service.

Interest Income. Revenue is recognized at a point in time which is as interest accrues, using the EIR that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

<u>Contract Balances</u>

Trade Receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Further, the Group has a loyalty points program which allows customers to accumulate points that can be applied to customer purchases depending on the actual usage within the next financial year. The liability is recognized when the customer avails of the Group's services using the loyalty card. Loyalty points are recognized as revenue upon actual usage or expiration whichever comes first.

<u>Cost and Expenses Recognition</u>
Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs of sales and general and administrative expenses are recognized in net income in the consolidated statement of comprehensive income in the period these are incurred.

<u>Leases</u>
The Group assesses at contract inception whether a contract is, or contains, a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, which is between 2 to 25 years.

Right-of-use assets are subject to impairment. Refer to the accounting policies section on impairment of non-financial assets.

Lease liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessee shall account for a lease modification as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall:

- Allocate the consideration in the modified contract;
- Determine the lease term of the modified lease; and

- Remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, of the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined. The lessee shall account for the remeasurement of the lease liability by:

  - Decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to partial or full termination of the lease.
  - Making corresponding adjustment to the right-of-use asset for all other lease modifications.

Pension
The Group has a funded, noncontributory defined benefit retirement plan covering substantially all of its qualified employees. The plan requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Defined benefit plan. The Group classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Retirement benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

Service costs which include current service costs, past service costs, and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset.

Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit obligation) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at reporting date.

Foreign Currency-denominated Transactions

Foreign currency-denominated transactions are recorded in Philippine peso using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate at reporting date. Exchange rate differences arising on the settlement and restatement of monetary items at rates different from those at which they were initially recorded are recognized in net income in the consolidated statement of comprehensive income in the year such differences arise. Nonmonetary items denominated in foreign currencies are measured on a historical cost basis and translated using the exchange rate at the date of transaction.

Income Tax

Current Tax. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. The Group's current tax expense is calculated using 25% regular corporate income tax (RCIT) rate in 2025 and 2024 or 2% minimum corporate income tax (MCIT) rate in 2025 and 2024, respectively, whichever is higher. BMI, SSI and SPCI use Optional Standard Deduction (OSD), while the Parent Company and the remaining subsidiaries incorporated in the Philippines use itemized deductions in the computation of their respective taxable income.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the financial reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused excess of minimum corporate income tax ("MCIT") over regular corporate income tax ("RCIT") and unused net operating loss carry-over ("NOLCO") to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits and unused tax losses can be utilized except: (1) when the deferred income tax asset relating to deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at financial reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT)
Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statement of financial position.

Deferred Input VAT
Deferred input VAT pertains to input VAT on accumulated purchases of property, plant and equipment for each month amounting to ₱1.00 million or more. This is amortized over five (5) years or the life of the property and equipment, whichever is shorter, in accordance with the Bureau of Internal Revenue (BIR) regulation.

Segment Reporting
The Group’s operating businesses are organized and managed separately according to the nature of the products and services provided, with each representing a strategic business unit that offers different products. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions arising from present obligation are recognized in profit or loss when the timing and amount of settlement can be reliably measured.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made judgments which have significant effect on the amounts recognized in the consolidated financial statements and accompanying notes. The judgments are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements.

Right to Access - Performance Obligation Satisfied Over Time. The Group determines whether it provides a dealer/franchisee with either:

- a right to access the Group's intellectual property through a "Trademark Licensing and Franchise Agreement" throughout the term of the franchise agreement for which revenue is recognized over the term of the franchise agreement, or
- a right to use the Group's intellectual property through a "Trademark Licensing and Franchise Agreement" as it exists at the point in time the franchise license is granted for which revenue is recognized at the point in time the franchisee can first use and benefit from the franchise license.

In assessing whether the nature of the Group's promise in granting a "Trademark Licensing and Franchise Agreement" is to provide a right to access the Group's intellectual property (i.e., franchise license), the Group considers whether all the following criteria are met:

- the franchise agreement requires, or the franchisee reasonably expects that the Group will undertake activities that will significantly affect the franchise license to which the franchisee has rights (e.g., advertisements, promotions, campaigns, etc.);
- the rights granted by the franchise license directly expose the franchisee to any positive or negative effects of the Group's activities;
- those activities do not result in the transfer of a good or service to the franchisee as those activities occur.

The Group determined that it has met all of the criteria mentioned above and concluded that it provides its franchisees with a right to access the Group's franchise license throughout the term of the franchise agreement. Accordingly, revenue from granting franchise license is recognized over the term of the franchise agreement.

Principal versus Agent Consideration. The Parent Company's agreement with the franchisee includes the right to charge the franchisee its share in the Parent Company's system-wide advertising and promoting efforts as well as fees for the Parent Company's administration of various advertisements, network and media placements. The Parent Company determined that it is acting as principal for the system-wide advertising because it is the Parent Company who retains the right to direct the service provider of the advertisements, network and media placements, and has the discretion on how to price the advertising and promoting fee charges. The Parent Company considers both the legal form and the substance of its agreement to determine each party's respective roles in the agreement.

Determination of lease term of contracts with renewal and termination options - Group as a Lessee. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The carrying values of the Group's right-of-use assets and lease liabilities are disclosed in Note 13.

Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Recoverability of Goodwill and Trademarks with Indefinite Useful Life. The Group performs recoverability testing annually or more frequently when there are indications of impairment for goodwill and trademarks with indefinite lives. Goodwill acquired through business combination has been allocated to one CGU which is also the operating entity acquired through business combination and to which the goodwill relates. Recoverability testing requires an estimation of the value-in-use or fair value less cost of disposal of the CGU to which goodwill and trademarks with indefinite useful life are allocated. Estimating the recoverable amount of the CGU involves significant assumptions about the future results of the business such as revenue growth rate, gross margin, operating margin, capital expenditures, discount rate and long-term revenue growth rate. which were applied to cash flow forecasts. The cash flow forecasts were based on financial budgets approved by senior management covering a five-year period.

The impairment of goodwill and trademark is determined by comparing: (a) the carrying amount of the cash-generating unit; and (b) the fair value less cost of disposal computed through the present value of the annual projected cash flows for five years and the present value of the terminal value computed under the discounted cash flow method.

The key assumptions used in the impairment test of goodwill and trademarks with indefinite useful life are as follows:

a. Gross Revenue

   On the average, gross revenue of the CGU over the next five years was projected to grow in line with the economy or with nominal Gross Domestic Product. This assumes that the market share of the subsidiaries in their respective industries will be flat on the assumption that the industries also grow at par with the economy. Historically, the business growth had a direct correlation with economic growth. A 2.0% perpetuity growth rate was assumed at the end of the five-year forecast period for Shakey's, Bakemasters, and Potato Corner while a 3% perpetuity growth rate was used for Peri-Peri.

b. Operating Expenses

   On the average, operating expenses were projected to increase in relation to revenue growth.

c. Gross Margins

   Increased efficiencies over the next five years are expected to result in margin improvements.

d. Discount Rate

   The discount rate used to arrive at the present value of future cash flows was the Group's Weighted Average Cost of Capital (WACC). WACC was based on the appropriate weights of debt and equity, which were multiplied with the assumed costs of debt and equity. The pre-tax discount rates applied to the cash flow projections range from 9.8% to 13.3% in 2025 and 11.4% to 13.7% in 2024.

The significant unobservable inputs used in the computation of fair value less cost to sell for goodwill and trademarks of Peri-Peri, together with a quantitative sensitivity analysis as at December 31, 2025 are shown below:

	Valuation technique	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity to FVLCTS**
Fair value less cost to sell (FVLCTS) of the CGU of the Peri-Peri business	Discounted cashflow method	Discount rate	9.3% to10.3% (9.8%)	0.5% increase (decrease) in the discount rate would result in a decrease (increase) in FVLCTS by ₱145.9 million and (₱166.5 million), respectively.
		Long-term growth rate for cash flows for subsequent years	3%	1% increase (decrease) in the long -term growth rate would result in a increase (decrease) in FVLCTS by ₱220.06 million and (₱284.70 million), respectively.
		Gross revenue	+1% 2,451m -1% 2,403m	1% increase (decrease) in gross revenue would result in an (increase) decrease in the FVLCTS of approximately (₱96.42 million) and ₱201.58 million, respectively.
		Operating expenses	+1% 1263m -1% 1238m	1% increase (decrease) in operating expenses would result in a decrease (increase) in the FVLCTS of approximately ₱55.99 million and (₱248.83 million), respectively.
		Gross margins	+1% 1,173m -1% 1,149m	1% increase (decrease) in gross margin would result in a (increase) decrease in the FVLCTS of approximately (₱650.23 million) and ₱174.52 million, respectively.

The carrying amount of goodwill and trademarks with indefinite useful life is disclosed in Note 12.

The recoverable amounts of the CGUs to which the goodwill and trademarks with indefinite useful lives are allocated are greater than their carrying amounts. No impairment loss was recognized on goodwill and trademarks with indefinite useful life for the years ended December 31, 2025, 2024 and 2023.

Leases - Estimating the incremental borrowing rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

As at December 31, 2025 and 2024, the Group’s lease liabilities are disclosed in Note 13.

Impairment of Trade and Other Receivables and Rental deposits and other noncurrent assets. The Group uses a provision matrix to calculate ECLs for its trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forward-looking information, and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The information about the ECLs on the Group's receivables is disclosed in Note 8.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

The carrying value of trade receivables, allowance for ECL, provision for ECL and reversal of ECL in 2025 and 2024 are disclosed in Note 8.

For other receivables and rental and other deposits, the Group applies the general approach, recognizing either 12-month or lifetime ECLs depending on whether there has been a significant increase in credit risk since initial recognition. Changes in the loss allowance are recognized in profit or loss.

The carrying value of other receivables, rental deposits and other noncurrent assets as at December 31, 2025 and 2024 are disclosed in Notes 8 and 14.

Recoverability of Deferred Tax Assets. The Group performs an annual evaluation of the realizability of deferred tax assets in determining the portion of deferred tax assets which should be recognized. The Group’s assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following period. This forecast is based on the Group’s past results and future expectations on revenue and expenses. The Group computes for deferred tax using the 25% corporate tax rate except for its subsidiaries BMI, SPCI and SSI which compute for deferred tax using the OSD effective tax rate of 15%.

Deferred tax assets recognized as at December 31, 2025 and 2024 are disclosed in Note 28.

Evaluation of Net Realizable Value of Inventories. The Group writes down the cost of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence. The lower of cost and net realizable value of inventories is reviewed at each reporting date. Inventory items identified to be obsolete and unusable are also written off and charged as expense in net income in the consolidated statement of comprehensive income.

The carrying values of inventories as of December 31, 2025 and 2024 are disclosed in Note 9.

Determination of Impairment of Nonfinancial Assets. Impairment review is performed when certain impairment indicators are present.

Determining the value in use of property and equipment, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements.

Based on the assessment of management, the Group's nonfinancial assets do not have any indication of impairment as at December 31, 2025 and 2024. No impairment loss was recognized in 2025, 2024 and 2023. The carrying values of the Group's non-financial assets are disclosed in Notes 11, 12 and 13.

Determination of Pension Costs. The cost of defined benefit pension plans and present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Accrued pension cost as at December 31, 2025 and 2024 are disclosed in Note 25.

The discount rate is derived by discounting all expected benefit payments using interest rates of government bonds that correspond to the timing of benefit payments, after which, a single discount rate is computed considering the aggregate amount of all discounted values.

The mortality rate is based on publicly available mortality tables in the Philippines and is modified accordingly with estimates of mortality improvements. Future salary and pension increases are based on expected future inflation rates in the Philippines.

Further details about the assumptions used are provided in Note 25.

Determination of Fair Value of Financial Instruments. Where the fair value of financial assets and liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of financial assets and financial liabilities are disclosed in Note 30.

6. Segment Information

Segment information is prepared on the following bases:

Business Segments
For management purposes, the Group is organized into three business activities - Restaurant sales, franchise and royalty fees and commissary sales. This segmentation is the basis upon which the Group reports its primary segment information.

- Restaurant sales comprise revenues from restaurant activities and sale of merchandise and equipment to franchisees.
- Franchise and royalty fees represent payment of sub-dealers for use of the Shakey's brand.
- Commissary sales comprise third party sales other than aforementioned activities.

Inter-segment Transactions
Segment revenue, segment expenses and operating results include transfers among business segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.

The Group's chief operating decision maker monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit and loss in the consolidated financial statements.

On a consolidated basis, the Group's performance is evaluated based on consolidated net income for the year, EBITDA and EBITDA margin. EBITDA margin pertains to EBITDA divided by gross revenues.

EBITDA and EBITDA margin are non-PFRSs measures.

The following table shows the reconciliation of the consolidated EBITDA to consolidated net income:

	Years Ended December 31		
	2025	2024	2023
Consolidated EBITDA	**₱2,621,406,625**	₱2,595,698,270	₱2,363,212,074
Depreciation and amortization (Note 24)	**(1,188,902,095)**	(923,747,392)	(757,777,196)
Provision for income tax (Note 28)	**(125,487,222)**	(69,508,449)	(164,964,152)
Interest expense (Note 26)	**(494,343,320)**	(410,963,852)	(361,489,106)
Interest income (Note 7)	**2,907,864**	1,928,966	464,950
Consolidated net income	**₱815,581,852**	₱1,193,407,543	₱1,079,446,570

<u>Business Segment Data</u>

The following tables present revenue and income information and certain assets and liabilities information regarding business segments for each of the three years in the period ended December 31:

	Restaurant			Franchise and Royalty Fees			Commissary and Others			Eliminations			Consolidated		
	2025	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023
Revenue from contracts with customers	**₱21,805,247,448**	₱19,361,307,849	₱18,560,242,446	**₱ 1,055,508,235**	₱1,057,813,676	₱773,256,366	**₱707,971,070**	₱670,955,537	₱646,991,634	**(₱7,519,080,502)**	(₱6,638,237,603)	(₱7,156,567,438)	**₱16,049,646,251**	₱14,451,839,459	₱12,823,923,008
Net income (loss)	**₱2,209,746,212**	₱2,414,934,682	₱1,942,165,701	**₱577,433,907**	₱756,972,874	₱570,351,859	**₱97,522,965**	₱91,095,450	₱74,658,791	**(₱2,069,121,232)**	(₱2,069,595,463)	(₱1,507,729,781)	**₱815,581,852**	₱1,193,407,543	₱1,079,446,570
Interest expense	**477,649,870**	395,770,229	352,747,060	**8,892,069**	7,141,052	540,161	**7,801,381**	8,052,571	8,201,885	**–**	–	–	**494,343,320**	410,963,852	361,489,106
Interest income	**(2,246,945)**	(1,895,881)	(339,693)	**(87,482)**	(3,666)	(66,378)	**(573,437)**	(29,419)	(58,879)	**–**	–	–	**(2,907,864)**	(1,928,966)	(464,950)
Income tax	**292,135,709**	242,138,520	(28,073,756)	**(181,668,675)**	(192,828,912)	176,293,599	**15,020,188**	20,198,841	16,744,309	**–**	–	–	**125,487,222**	69,508,449	164,964,152
Depreciation and amortization	**1,151,291,334**	888,251,229	725,335,718	**–**	–	–	**37,610,761**	35,491,164	32,441,478	**–**	–	–	**1,188,902,095**	923,747,392	757,777,196
EBITDA	**₱4,128,576,180**	₱3,939,198,779	₱2,991,835,030	**₱404,569,819**	₱571,281,348	₱747,119,241	**₱157,381,858**	₱154,808,607	₱131,987,584	**(₱2,069,121,232)**	(₱2,069,595,463)	(₱1,507,729,781)	**₱2,621,406,625**	₱2,595,698,270	₱2,363,212,074
EBITDA Margin													**16.33%**	17.96%	18.43%
Assets and Liabilities															
Operating assets	**₱35,534,222,172**	₱30,063,736,678	₱23,106,258,726	**₱1,782,830,380**	₱3,528,804,189	₱3,380,311,963	**₱546,876,329**	₱567,754,047	₱668,343,836	**(₱17,208,688,396)**	(₱13,991,164,739)	(₱8,627,361,237)	**₱20,655,240,485**	₱20,169,130,175	₱18,527,553,288
Deferred tax assets - net	**927,172,118**	213,981,277	100,111,915	**–**	–	–	**7,294,232**	3,565,665	3,647,797	**(635,713,330)**	(11,155,568)	(3,364,991)	**298,753,020**	206,391,374	100,394,721
Total assets	**₱36,461,394,290**	₱30,277,717,955	₱23,206,370,641	**₱1,782,830,380**	₱3,528,804,189	₱3,380,311,963	**₱554,170,561**	₱571,319,712	₱671,991,633	**(₱17,844,401,726)**	(₱14,002,320,307)	(₱8,630,726,228)	**₱20,953,993,505**	₱20,375,521,549	₱18,627,948,009
Operating liabilities	**₱20,690,558,478**	₱14,983,575,475	₱9,431,706,869	**₱493,278,681**	₱2,236,971,896	₱2,106,628,434	**211,807,922**	₱224,669,986	₱266,902,774	**(₱15,962,844,562)**	(₱12,512,945,565)	(₱7,706,943,403)	**₱5,432,800,519**	₱4,932,271,792	₱4,098,294,674
Interest-bearing loans and borrowings	**6,049,060,215**	6,192,570,991	5,942,570,991	**–**	–	–	**–**	–	–	**–**	–	–	**6,049,060,215**	6,192,570,991	5,942,570,991
Deferred tax liabilities-net	–	–	–	**–**	–	–	**–**	–	–	**169,852,137**	396,952,983	627,872,928	**169,852,137**	396,952,983	627,872,928
Total liabilities	**₱26,739,618,693**	₱21,176,146,466	₱15,374,277,860	**₱493,278,681**	₱2,236,971,896	₱2,106,628,434	**₱211,807,922**	₱224,669,986	₱266,902,774	**(₱15,792,992,425)**	(₱12,115,992,582)	(₱7,079,070,475)	**₱ 11,651,712,871**	₱11,521,795,766	₱10,668,738,593

Restaurant sales are attributable to revenues from the general public, which are generated through the Group's store outlets while franchise and royalty fees, and commissary and others are derived from various franchisees of the Group's trade names. Consequently, the Group has no concentration of revenues from a single customer or franchisee in 2025 and 2024.

As of December 31, 2025 and 2024, the Group's international operations are considered to be not material in relation to the consolidated financial statements.

The following are the percentage of total assets and revenues in 2025, 2024 and 2023, of the consolidated assets and revenues, respectively, of the Group:

	Years Ended December 31		Years Ended December 31		
	Total Assets		Revenue		
	2025	2024	**2025**	2024	2023
Shakey's International Limited (SIL)	**0.03%**	0.00%	**0.02%**	0.02%	0.00%
Shakey's Pizza Regional Foods Limited (SPRFL)	**0.00%**	0.00%	**0.02%**	0.02%	0.31%
PC International Limited (PCIL)	**1.24%**	0.99%	**2.65%**	1.67%	0.00%
Shanghai Miaomiao Shu Catering Co. LTD (SMSCCL)	**1.75%**	1.91%	**3.86%**	2.01%	0.00%
SPAVI International USA Inc, (SIUI)	**0.17%**	–	**0.01%**	–	–

7. Cash

	2025	2024
Cash on hand	**₱78,797,183**	₱125,488,014
Cash in banks	**1,088,337,100**	1,194,311,478
	₱1,167,134,283	₱1,319,799,492

Cash in banks earn interest at the respective bank deposit rates. Interest income on cash amounted to ₱2.9 million, ₱1.9 million and ₱0.5 million for the years ended December 31, 2025, 2024 and 2023 respectively.

8. Trade and Other Receivables

Below are the terms and conditions of the financial assets:

	2025	2024
Trade:		
Third parties	**₱895,301,533**	₱801,087,651
Franchisees	**594,126,366**	523,765,854
Royalty receivable	**84,532,635**	79,199,179
Related parties (see Note 18)	**15,147,486**	21,214,586
Nontrade:		
Franchisees	**119,539,022**	115,031,725
Employees	**39,763,906**	33,674,196
	1,748,410,948	1,573,973,191
Less allowance for ECL	**(18,994,108)**	(13,718,140)
	₱1,729,416,840	₱1,560,255,051

- Trade receivables are non-interest bearing and are normally collectible within 10 to 30 days.
- Receivables from third parties comprise amounts due from customers arising from store sales, credit card and online payment merchants, and food aggregator partners, as well as receivables from cooperatives and amounts due for freight charges and other trade-related transactions. These receivables are non-interest bearing and are generally collectible within 30 to 45 days from transaction date.
- Receivable from franchisees pertains to receivables for transactions other than sale of goods such as management fees, freight and gas expenses and are non-interest bearing and generally have 30 to 45 days' term.
- Royalty receivable is being collected from dealers on the 20th day of the following month.
- Receivables from employees, which represent mainly salary loans, are interest-free and are being collected through salary deduction for a period ranging from 6 months to 1 year.
- For terms and conditions of related party receivables, refer to Note 18.

The movements of allowance for ECL are as follows:

	2025			2024		
	Trade and Others	**Receivables from Employees**	**Total**	Trade and Others	Receivables from Employees	Total
Balance at beginning of year	**₱11,703,862**	**₱2,014,278**	**₱13,718,140**	₱7,825,160	₱2,014,278	₱9,839,438
Provision (see Note 22)	**6,558,710**	**–**	**6,558,710**	3,878,702	–	3,878,702
Write-offs	**(1,282,742)**	**–**	**(1,282,742)**	–	–	–
Balance at year-end	**₱16,979,830**	**₱2,014,278**	**₱18,994,108**	₱11,703,862	₱2,014,278	₱13,718,140

9. Inventories

	2025	2024
At NRV-		
Merchandise	**₱1,405,140,334**	₱1,678,774,619
At cost:		
Raw materials - food	**37,137,824**	35,443,589
Finished goods	**23,254,358**	18,698,220
Raw materials - packaging	**24,906,143**	26,994,424
	₱1,490,438,659	₱1,759,910,852

The cost of the merchandise inventories carried at NRV amounted to ₱1,409.9 million and ₱1,683.6 million as at December 31, 2025 and 2024, respectively.

The cost of merchandise and materials charged to cost of sales in the consolidated statements of comprehensive income amounted to ₱6,829.8 million, ₱6,074.9 million and ₱5,647.9 million in 2025, 2024 and 2023 respectively (see Note 21).

Allowance for inventory obsolescence amounted to ₱4.8 million as at December 31, 2025 and 2024.

There is no provision for inventory obsolescence in 2025, 2024 and 2023.

No inventories as at December 31, 2025 and 2024 have been pledged as security or collateral for the Group's outstanding liabilities.

10. Prepaid Expenses and Other Current Assets

	2025	2024
Prepaid expenses	**₱186,222,874**	₱131,622,574
Advances to suppliers	**175,389,207**	353,073,156
Prepaid taxes	**130,344,347**	99,021,443
Input VAT	**43,013,613**	46,592,363
	₱534,970,041	₱630,309,536

Prepaid expenses pertain to advance payments for insurance, dues, rent and subscription and are amortized monthly over a period of one year.

Advances to suppliers pertain to advance payments for the purchase of raw materials inventories which are generally applied against future billings within the next year.

Prepaid taxes include creditable withholding taxes withheld by the Group’s customers.

11. **Property and Equipment**

	Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Machinery and Equipment	Transportation Equipment	Cost of Shops and Maintenance Tools	Glassware and Utensils	Construction in-progress	Total
Cost									
Balance at December 31, 2023	₱249,296,583	₱1,957,148,485	₱1,654,160,305	₱337,552,037	₱47,596,913	₱55,670,495	₱45,040,675	₱42,347,592	₱4,388,813,085
Additions	–	492,931,430	326,097,374	61,040,325	18,430,678	67,175,187	9,751,500	1,594,895	977,021,389
Disposals	(2,616,785)	(59,722,600)	(41,296,573)	33,561	–	(4,157,082)	(886,654)	–	(108,646,133)
Reclassification	–	(4,201,358)	4,201,358	–	–	–	–	–	–
Balance at December 31, 2024	**246,679,798**	**2,386,155,957**	**1,943,162,464**	**398,625,923**	**66,027,591**	**118,688,600**	**53,905,521**	**43,942,487**	**5,257,188,341**
Additions	**1,450,303**	**466,302,865**	**332,545,629**	**11,999,075**	**14,710,825**	**36,709,772**	**19,987,439**	**-**	**883,705,908**
Disposals	**(15,901,485)**	**(31,799,514)**	**(25,802,653)**	**(4,160,081)**	**(4,736,733)**	**(1,182,023)**	**(919,099)**	**-**	**(84,501,588)**
Reclassification	**–**	**22,899,978**	**13,648,561**	**–**	**–**	**–**	**60,148**	**(36,608,687)**	**-**
Balance at December 31, 2025	**232,228,616**	**2,843,559,286**	**2,263,554,001**	**406,464,917**	**76,001,683**	**154,216,349**	**73,034,009**	**7,333,800**	**6,056,392,661**
Accumulated Depreciation									
Balance at December 31, 2023	90,553,514	1,065,303,771	1,074,139,883	278,613,829	27,328,402	44,118,620	40,290,189	–	2,620,348,208
Depreciation (see Notes 21, 22 and 24)	22,831,814	209,575,705	173,378,823	19,941,758	5,177,836	25,683,442	8,627,222	–	465,216,600
Disposals	(4,233,050)	(63,538,831)	(42,238,169)	(29,784,197)	–	(3,517,491)	(726,651)	–	(144,038,389)
Reclassification	–	(2,294,303)	–	–	–	–	–	–	(2,294,303)
Balance at December 31, 2024	**109,152,278**	**1,209,046,342**	**1,205,280,537**	**268,771,390**	**32,506,238**	**66,284,571**	**48,190,760**	**–**	**2,939,232,116**
Depreciation (see Notes 21, 22 and 24)	**14,216,793**	**232,208,545**	**211,229,419**	**21,189,514**	**9,534,164**	**34,046,722**	**13,424,588**	**–**	**535,849,745**
Disposals	**(8,955,382)**	**(15,751,312)**	**(22,581,065)**	**(1,176,301)**	**(3,843,760)**	**(1,160,102)**	**(858,934)**	**–**	**(54,326,856)**
Reclassification	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at December 31, 2025	**114,413,689**	**1,425,503,575**	**1,393,928,891**	**288,784,603**	**38,196,642**	**99,171,191**	**60,756,414**	**–**	**3,420,755,005**
Net Book Value									
Balance at December 31, 2024	₱137,527,520	₱1,177,109,615	₱737,881,927	₱129,854,533	₱33,521,353	₱52,404,029	₱5,714,761	₱43,942,487	₱2,317,956,225
Balance at December 31, 2025	**₱117,814,927**	**₱1,418,055,711**	**₱869,625,110**	**₱117,680,314**	**₱37,805,041**	**₱55,045,158**	**₱12,277,595**	**₱7,333,800**	**₱2,635,637,656**

There are no idle assets as at December 31, 2025 and 2024. The Group has no property and equipment that is used as collateral for existing loans payable.

12. Intangible Assets

The Group's intangible assets consist of:

	2025	2024
Goodwill	**₱1,324,852,131**	₱1,324,852,131
Trademarks	**8,759,352,242**	8,759,352,242
Software	**331,331,312**	247,026,181
Franchise	**36,381,824**	23,757,386
	₱10,451,917,509	₱10,354,987,940

The breakdown of the Group's goodwill and trademarks consists of the following as at December 31, 2025 and 2024:

	Goodwill
Bakemasters	₱1,078,606,020
Peri-Peri	185,476,929
Potato Corner	60,769,182
	₱1,324,852,131

	Trademarks
Shakey's	₱4,987,109,602
Potato Corner	3,208,801,902
Peri-Peri	563,440,738
	₱8,759,352,242

Goodwill
Goodwill is associated with the excess of the investment cost over the fair value of the net assets of Bakemasters, Peri-Peri and Potato Corner business at the time of acquisitions.

Trademarks
The Group's trademarks include Shakey's, Potato Corner and Peri-Peri, which were acquired through purchases and business combinations in prior years.

Shakey's and Peri-Peri business is a casual full-service restaurant brand in the Philippines. The business offers a variety of food and sauces, including peri-peri chicken, pizza, and pasta.

Potato Corner business is a food franchise known for its flavored French fries.

Bakemasters business manufactures pizza dough and pastries.

The details of the Group's intangible assets with finite life are as follows:

	Software	Franchise
Cost		
Balance at December 31, 2023	₱352,677,918	₱19,698,070
Additions	15,404,868	7,726,152
Balance at December 31, 2024	368,082,786	27,424,222
Additions	121,295,697	13,743,787
Balance at December 31, 2025	**₱489,378,483**	**₱41,168,009**

(Forward)

	Software	Franchise
Accumulated Amortization		
Balance at December 31, 2023	₱95,145,028	₱2,545,520
Amortization (see Note 24)	25,911,577	1,121,316
Balance at December 31, 2024	121,056,605	3,666,836
Amortization (see Note 24)	36,990,566	1,119,349
Balance at December 31, 2025	**158,047,171**	**4,786,185**
Net Book Value		
Balance at December 31, 2025	**₱331,331,312**	**₱36,381,824**
Balance at December 31, 2024	₱247,026,181	₱23,757,386

On August 24, 2020, the Group entered into a master franchise agreement with the exclusive right and license to develop and operate the business, provide the services and sell the products, from the R&B Tea Outlets.

The average remaining useful lives of software and franchise is 8 years and 2 years, respectively, as of December 31, 2025.

13. Right-of-Use Assets and Lease Liabilities

Group as a lessee
The Group has lease contracts for land and building for the use of its office spaces and stores. Lease contracts of office spaces usually have terms of 20 to 25 years while leases of stores usually have terms of 3 to 25 years.

The Group also has certain leases of stores with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rollforward analysis of right-of-use assets is as follows:

	2025	2024
Cost		
Balance at beginning of year	**₱3,184,689,460**	₱2,767,508,242
Additions	**968,584,103**	735,358,017
Pre-terminations	**(352,682,486)**	(318,176,799)
Balance at end of year	**3,800,591,077**	3,184,689,460
Accumulated Amortization		
Balance at beginning of year	**1,381,053,720**	1,226,877,353
Amortization (see Notes 21 and 24)	**614,942,435**	431,497,900
Pre-terminations	**(301,776,767)**	(277,321,533)
Balance at end of year	**1,694,219,388**	1,381,053,720
Net Book Value	**₱2,106,371,689**	₱1,803,635,740

The rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	**₱2,121,756,084**	₱1,830,838,499
Additions	**950,750,062**	689,806,537
Interest expense (see Note 26)	**172,129,570**	123,841,072
Payments	**(713,427,815)**	(473,742,119)
Pre-terminations	**(76,454,524)**	(48,987,905)
Balance at end of year	**2,454,753,377**	2,121,756,084
Current portion of lease liabilities	**354,296,695**	293,913,746
Lease liabilities – non-current portion	**₱2,100,456,682**	₱1,827,842,338

The Group has lease contracts for stores that contain variable payments based on the gross sales. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	As at December 31, 2025		
	Fixed Payments	**Variable Payments**	**Total**
Fixed	**₱466,044,714**	**₱–**	**₱466,044,714**
Variable rent with minimum payment	**267,711,940**	**79,819,952**	**347,531,892**
Variable rent only	**–**	**54,667,494**	**54,667,494**
	₱733,756,654	**₱134,487,446**	**₱868,244,100**

	As at December 31, 2024		
	Fixed Payments	Variable Payments	Total
Fixed	₱204,569,551	₱–	₱204,569,551
Variable rent with minimum payment	175,489,577	87,544,898	263,034,475
Variable rent only	–	7,333,957	7,333,957
	₱380,059,128	₱94,878,855	₱474,937,983

Shown below is the maturity analysis of the undiscounted future lease payments:

	2025	2024
1 year	**₱619,305,220**	₱589,572,083
more than 1 year to 2 years	**503,185,591**	475,490,034
more than 2 years to 3 years	**367,648,249**	371,721,783
more than 3 years to 4 years	**305,475,389**	312,473,685
more than 5 years	**1,669,747,227**	1,335,882,032
	₱3,465,361,676	₱3,085,139,617

Rent expense on variable rents, short-term leases and leases of low-value assets amounted to ₱426.0 million, ₱440.8 million and ₱379.9 million for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 21).

14. Rental Deposits and Other Noncurrent Assets

	2025	2024
Rental and other deposits	**₱455,712,000**	₱382,879,505
Advances	**63,378,067**	15,356,830
Financial assets at FVOCI	**23,600,000**	26,000,000
	542,690,067	424,236,335
Less: Allowance for unrecoverable rental deposits and other noncurrent assets	**(3,297,293)**	(3,297,293)
	₱539,392,774	₱420,939,042

The Group's rental and other deposits are refundable at the end of the lease term which range from 3 years to 15 years. The excess of the principal amount of the deposit over its fair value is accounted for as right-of-use asset and amortized over the lease term on a straight-line basis while interest on the deposit is accounted for using the effective interest rate method.

No provision was recognized in 2025, 2024 and 2023.

The accretion income from rental deposits amounted to ₱6.3 million, nil and ₱1.7 million in 2025, 2024 and 2023, respectively (see Note 27).

Advances represent costs incurred by the Group that will form part of the acquisition cost for purchase of a noncurrent asset.

As at December 31, 2025, the Group's financial assets at FVOCI pertain to investments in golf club shares. The movement of financial assets at FVOCI in 2025 and 2024 follows:

	2025	2024
Balance at beginning of year	**₱26,000,000**	₱6,158,439
Increase (decrease) in fair value	**(2,400,000)**	19,841,561
Balance at end of year	**₱23,600,000**	₱26,000,000

The changes in the fair value of these investments are recognized under "Unrealized gain on fair value changes of financial assets at FVOCI" in the consolidated statements of comprehensive income and shown as part of "Other components of equity" in the consolidated statements of financial position.

15. Short-term Loans Payable

	2025	2024
Balance at beginning of year	**₱1,000,000,000**	₱700,000,000
Additions	−	300,000,000
Reclassifications	**320,000,000**	−
Payments	**(100,000,000)**	−
Balance at end of year	**₱1,220,000,000**	₱1,000,000,000

In 2024, the outstanding loan of ₱700 million was rolled over with Bank of the Philippine Islands (BPI), extending its maturity date in two tranches - ₱500.0 million in February 2025 and ₱200.0 million in June 2025. Additionally, the Group availed another short-term loan of ₱300 million from BPI with an annual interest rate of 5.7% maturing in May 2025. Subsequent to these rollovers, ₱900 million was further rolled over extending at various maturity dates - ₱300.0 million in May 2026 ₱200.0 million in June 2026 and ₱400.0 million in December 2026 with interest ranging from 4.50% to 5.25%.

In 2025, the Group made principal payments totaling ₱100 million on its short-term loan payable.

On March 2, 2025, the BPI long term loans payable was repriced at a new effective interest rate of 5.3% per annum, payable monthly. Concurrent with the repricing, BPI converted the principal installment of ₱320.0 million originally due on February 24, 2025 or at the end of the third year from borrowing date into a separate short-term facility maturing on February 26, 2026. Accordingly, such amount has been reclassified from long term loans payable to short term loans payable as of December 31, 2025.

Interest expense pertaining to short-term loans amounting to ₱68.3 million, ₱44.3 million and ₱25.5 million were recognized for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 26).

16. Accounts Payable and Other Current Liabilities

	2025	2024
Trade:		
Suppliers	**₱1,160,253,616**	₱1,113,279,905
Related parties (see Note 18)	**121,760,035**	150,535,928
Nontrade-		
Suppliers	**387,217,267**	248,303,761
Accrued expenses:		
Suppliers	**368,362,984**	378,641,401
Salaries and wages	**86,788,639**	76,928,151
Customer loyalty	**61,899,707**	43,636,958
Utilities	**38,918,078**	39,460,850
Others	**122,118,104**	161,759,762
	₱2,347,318,430	₱2,212,546,716

Below are the terms and conditions of the financial liabilities:

- Trade payables are non-interest bearing and are normally settled in 30 to 90 days' term.
- Nontrade payables consist mainly of payable to contractors, lessors and employment agencies which are normally settled in 30 to 90 days' term.
- Accrued expenses, which consist mainly of accrual of rent expense of stores, utilities, employee benefits and incentives, freight, commissions and storage costs are normally settled in 30 to 90 days' term.
- Customers loyalty pertains to accumulated points which are generally applied to customer purchases within the next financial year. Revenue is recognized upon actual usage expiration whichever comes first.
- Other payables are normally settled in 15 to 45 days' term.
- For terms and conditions related party payables, refer to Note 18.

Other payables consist of the following:

	2025	2024
Withholding tax payable	**₱32,195,569**	₱35,159,660
Retention payable	**30,719,810**	18,491,714
Customers' deposits	**22,922,765**	23,412,766
Output VAT	**22,507,745**	71,306,989
Fun certificates payable	**6,556,765**	6,333,130
SSS, PhilHealth and Pag-IBIG payables	**2,892,511**	2,275,363
Others	**4,322,939**	4,780,140
	₱122,118,104	₱161,759,762

17. **Long-term Loans Payable**

The breakdown of the loans follows:

	2025	2024
BDO loan - principal	**₱3,550,115,128**	₱3,597,934,622
Less unamortized debt issue costs	**1,054,913**	5,363,631
BDO loan - net of unamortized debt issue costs	**3,549,060,215**	3,592,570,991
BPI loan	**1,280,000,000**	1,600,000,000
	4,829,060,215	5,192,570,991
Less current portion of loan payable	**3,549,060,215**	47,819,494
Noncurrent portion	**₱1,280,000,000**	₱5,144,751,497

BDO Unibank, Inc. (BDO) Loan
On June 8, 2016, the Group entered into an Omnibus Loan and Security Agreement (OLSA) with BDO (the Lender) and SAFHI. The lender provided a term loan facility in the principal amount of ₱5,000.0 million. The loan is payable within 10 years to commence on the 12th month following the availment date. Payments shall be made in 18 consecutive semi-annual installments of ₱25.0 million and a final payment of ₱4,550.0 million.

The loan's interest is to be fixed at the higher of 5-year PDST-R2 plus a spread of 0.75% or 4.5% floor rate for the first 5 years, to be repriced at the last 5 years. Management has assessed that the interest rate floor on the loan is an embedded derivative which is not for bifurcation since the market rate approximates the floor rate at the transaction date.

The loan facility also contains a prepayment provision which allows the Group to make optional prepayment in the amount calculated by the lender comprising (i) the outstanding principal amount of the Loan to be prepaid, and (ii) any accrued interest on the principal amount of the Loan being prepaid computed as of the date of prepayment. The prepayment option was assessed as closely related to the loan and thus, was not bifurcated.

On December 22, 2016, the Group notified BDO of its intention to prepay the loan amounting to ₱1,000.0 million. The exercise of the prepayment option resulted in the revision of estimated future payments and change in the carrying amount of the financial liability. On January 3, 2017, the Group prepaid portion of the loan amounting to ₱1,000.0 million and the corresponding break funding fee and prepayment penalty amounting to ₱21.4 million.

As of December 31, 2025 and 2024, the outstanding balance of the loan amounts to ₱3,549.1 million and ₱3,592.6 million, respectively.

As of December 31, 2025, the outstanding balance of the loan has been reclassified and presented as "Current portion of long-term loans payable" as the remaining installment falls due on June 16, 2026, which is within twelve (12) months from the end of the reporting period.

Following the reclassification, the Group's working capital position as of December 31, 2025 resulted to a negative position. The Group is actively negotiating with BDO for the refinancing of the outstanding loan. Management anticipates the favorable resolution of these negotiations in 2026, upon which the reclassification of the outstanding balance to noncurrent liabilities is expected to correspondingly address the negative working capital position of the Group. As of the report date, the Group received a term loan proposal from the bank to refinance the loan and extend the term to another 5 years after its initial maturity in June 2026.

So long as any portion of the loan is outstanding and until payment in full of all amounts payable by the Group under the loan documents, the Group agrees that, unless the Lender shall otherwise consent in writing, it shall among others comply with the following affirmative covenants:

a. Ensure that at all times its obligations will constitute its secured, direct, unconditional and unsubordinated obligations, and any of its residual obligation not satisfied out of the proceeds of the collateral shall rank and will rank at all times at least pari passu in priority of payment and in all other respects with all its unsecured obligations, save for such obligations in respect of which a statutory preference is established solely by operation of law.

b. The net proceeds from the loan shall be used for the purpose of refinancing the bridge loan.

c. Financial covenant during the term of the Term Loan:
    i. its Debt date of determination, the ratio of EBITDA less regular dividends and advances to Service Coverage Ratio is at least 1.2x. Debt Service Coverage Ratio is as of the shareholders over Debt Service. For purposes hereof, "EBITDA" means operating profit before interest, taxes, depreciation and amortization, each item determined in accordance with PFRS, and the term "Debt Service" means the aggregate amount of the succeeding year's principal amortization for the Loan, interest, fees and other financial charges made or due in respect thereof payable by the Borrower, provided that one (1) year prior to the maturity of the Loan, "Debt Service Coverage Ratio" shall mean the ratio of sum of the beginning cash balance and EBITDA less regular dividends and advances to shareholders over Debt Service;

    ii. its Debt-to-Equity Ratio does not exceed 5.0x within the first two years from the Borrowing under the Term Loan and 4.0x thereafter.

    The foregoing financial covenant shall be tested every six months based on annual audited or unaudited semi-annual parent company financial statements. On January 27, 2017, the OLSA was amended to include June 30, 2017 as the commencement date for the testing for the financial covenant ratios.

d. Within the period required, open and establish the Debt Service Reserve Account; and ensure that the funds deposited in the Debt Service Reserve Account are at all times maintained in accordance with the agreement. As at December 31, 2025 and 2024, the balances of DSRA have been applied to the loan balance.

e. Prior to the assignment or transfer of any trade names, copyrights, trademarks, patents and other intellectual property rights or licenses currently held by the Parent Company or any wholly-owned subsidiary of the Parent Company, the Parent Company shall pledge in favor of the Lender, under the terms and conditions of the Pledge under the Omnibus loan and security Agreement, all the outstanding shares of the Parent Company in such wholly-owned subsidiary.

As at December 31, 2025 and 2024 the Parent Company is in compliance with the aforementioned covenants.

Bank of the Philippines Islands (BPI) Loan

On February 24, 2022, the Group entered into a loan agreement with Bank of the Philippines Islands (the Lender). The Lender provided a principal amount of ₱1,600.0 million, payable in ten (10) years from March 2, 2022 (the value date). The loan has an effective interest rate of 4.3% payable monthly until paid in full.

On March 2, 2025, the loan was repriced at a new effective interest rate of 6.3% per annum, payable monthly. Concurrent with the repricing, BPI converted the principal installment of ₱320.0 million originally due on February 24, 2025 or at the end of the third year from borrowing date into a separate short-term facility maturing on February 26, 2026. Accordingly, such amount has been reclassified from long term loans payable to short term loans payable as of December 31, 2025.

The Group is not subject to any loan covenants from BPI loan.

Interest expense for long-term loans amounted to ₱230.0 million, ₱231.6 million and ₱212.9 million in 2025, 2024 and 2023, respectively (see Note 26).

18. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Group; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

Approval requirements and limits on the amount and extent of related party transactions

Material related party transactions (MRPT) refer to any related party transactions, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Group’s total consolidated assets based on its latest audited consolidated financial statements.

All individual MRPT shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors’ vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a 12-month period that meet or breaches the materiality threshold shall require the same BOD approval mentioned above.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2025 and 2024, the Group has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the normal course of business, the Group has significant transactions with the following companies which have common members of BOD and stockholders as the Group:

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance		Terms	Conditions
				Receivable (see Note 8)	Payable (see Note 17)		
Century Pacific Group Inc. (CPGI, Ultimate Parent Company)							
Sales	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	**2025**	**₱7,766,842**	**₱3,082,080**	**₱692,543**	30-day; non-interest bearing	Unsecured; not impaired
		2024	₱7,766,842	₱3,082,080	₱1,385,087		
		2023	₱7,766,842	₱3,082,080	₱–		
Companies with common members of BOD and stockholders as the Group							
The Pacific Meat Company Inc. (PMCI)							
Sales	Sale of goods at prices (normally on cost-plus basis) mutually agreed upon by both parties	**2025**	**9,528,691**	**1,903,763**	**–**	30-day; non-interest bearing	Unsecured; not impaired
		2024	14,772,502	12,394,892	–		
		2023	8,587,176	5,400,644	–		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2025**	**119,245,157**	**–**	**106,963,778**	30-day; non-interest bearing	Unsecured
		2024	177,074,571	–	122,114,155		
		2023	241,786,131	–	142,402,642		
DBE Project Inc. (DBE)							
Trade sales and service income	Sale of goods at prices (normally on cost-plus basis) mutually agreed upon by both parties	**2025**		**1,962,435**	**298,043**	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	1,962,435	298,043		
		2023	–	–	–		

(Forward)

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance Receivable (see Note 8)	Payable (see Note 17)	Terms	Conditions
Century Pacific Food, Inc. (CPFI)							
Sales	Sale of goods at prices (normally on cost-plus basis) mutually agreed upon by both parties	**2025**	**₱32,997,550**	**₱8,199,208**	₱–	30-day; non-interest bearing	Unsecured; not impaired
		2024	25,436,328	3,775,179	—		
		2023	26,857,813	9,975,859			
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2025**	**40,967,254**	**–**	**13,805,671**	30-day; non-interest bearing	Unsecured
		2024	44,105,908	–	26,738,643		
		2023	15,232,070	–	9,297,624		
		2025		**₱15,147,486**	**₱121,760,035**		
		2024		₱21,214,586	₱150,535,928		

Compensation of Key Management Personnel

The salaries and pension costs of key management personnel in 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Salaries	**₱50,179,868**	₱47,924,103	₱47,814,228
Pension costs	**40,525,690**	37,664,788	33,624,605
	₱90,705,558	₱85,588,891	₱81,438,833

There are no other short-term and long-term benefits given to the key management personnel.

19. Equity

Capital Stock

Authorized capital stock

The authorized capital stock of the Parent Company is 2,000,000,000 shares at ₱1 par value in 2025 and 2024.

Issued and outstanding

As at December 31, 2025 and 2024:

	No. of shares	Amount
Balance at beginning and end of year	1,683,760,178	₱1,683,760,178

Below is the Parent Company's track record of the registration of securities:

Date of SEC Order Rendered Effective or Permit to Sell	Event	Authorized Capital Stock	Issued Shares	Issue Price
December 1, 2016	Registered and Listed Shares (Original Shares)	2,000,000,000	1,179,321,053	₱1.00
	Initial Public Offering (IPO)			
	Primary	2,000,000,000	104,000,000	11.26
	Secondary	2,000,000,000	202,000,000	11.26
	Over-allotment Option	2,000,000,000	46,000,000	11.26
August 6, 2021	Issuance	2,000,000,000	152,439,025	7.93
August 9, 2021	Issuance	2,000,000,000	100	8.20

The issued and outstanding shares as at December 31, 2025 and 2024 are held by 40 and 43 equity holders, respectively.

Retained Earnings

Details of cash dividends declared in 2025 and 2024 are as follows:

	Dividend		
Date of Declaration	Rate (per share)	Amount	Record Date
June 20, 2023	₱0.10	₱168,376,017	July 31, 2023
April 15, 2024	0.20	336,752,036	May 15, 2024
July 3, 2025	**0.20**	**336,752,036**	**August 4, 2025**

There are no outstanding dividends payable as at December 31, 2025 and 2024. Cash dividend declared and paid amounted to ₱336.7 million in 2025 and 2024.

Undistributed earnings of the subsidiaries included in the Group's retained earnings amounting to ₱183.2 million and ₱186.1 million as at December 31, 2025 and 2024, respectively, are not available for dividend declaration by the Parent Company until these are declared by the investee companies.

APIC

Amount received in excess of the par values of the shares issued amounting to ₱2,451.1 million were recognized as "APIC" as at December 31, 2025 and 2024, respectively.

20. Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Revenue source:			
Restaurant sales	**₱10,290,414,735**	₱9,290,515,561	₱8,362,853,329
Sale of goods	**4,884,680,269**	4,356,640,655	3,973,643,491
Royalty and franchise fees (see Note 31)	**874,551,247**	804,683,243	487,426,188
	₱16,049,646,251	₱14,451,839,459	₱12,823,923,008
Timing of recognition:			
Goods transferred at a point in time and usage-based royalty fees	**₱15,996,487,843**	₱14,374,934,029	₱12,787,539,880
Services rendered over time	**53,158,408**	76,905,430	36,383,128
	₱16,049,646,251	₱14,451,839,459	₱12,823,923,008

Contract liabilities

Below are the details of contract liabilities arising from initial franchise as at December 31, 2025 and 2024:

	2025	2024
Initial franchise fee	**₱215,343,638**	₱197,506,244
Less current portion	**86,605,378**	76,461,051
Noncurrent portion	**₱128,738,260**	₱121,045,193

In 2025 and 2024, the Group received advances from customers amounting ₱21.1 million and ₱24.6 million, respectively. This was included as part of the current portion of contract liabilities in the consolidated statements of financial position as at December 31, 2025 and 2024.

Movements of contract liabilities arising from initial franchise fees as at and for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Balance as at January 1	**₱197,506,244**	₱147,941,962
Amortization of initial franchise fees	**(53,158,408)**	(76,905,430)
Initial franchise fees received	**64,778,847**	122,643,815
Accretion of interest expense (see Note 26)	**6,216,955**	3,825,897
Balance as at December 31	**₱215,343,638**	₱197,506,244

As at December 31, 2025, the amounts of initial franchise fees allocated to remaining performance obligations, its accretion of interest expense in the succeeding years, and contract liabilities arising from initial franchise fees are as follows:

	Unamortized initial franchise fees	Accretion of interest expense	Contract liabilities from initial franchise fees
Within one year	₱78,479,712	₱9,723,885	₱86,605,378
More than one year	99,733,302	27,406,738	128,738,260
	₱178,213,014	₱37,130,623	₱215,343,638

21. **Cost of Sales**

	2025	2024	2023
Inventory costs (see Note 9)	**₱6,829,802,688**	₱6,074,877,536	₱5,647,952,421
Salaries, wages and benefits	**1,470,826,557**	1,199,356,019	1,091,063,729
Depreciation and amortization (see Note 24)	**1,095,201,537**	833,025,086	704,774,502
Utilities	**705,629,107**	605,327,830	551,291,472
Outside services	**479,165,404**	436,853,060	364,587,498
Rent (see Note 13)	**425,985,721**	440,770,260	379,926,612
Delivery call fees	**273,067,356**	194,754,839	165,473,535
Supplies	**248,842,773**	225,430,539	214,355,299
Gas expenses	**169,326,539**	161,966,247	157,882,861
Repairs and maintenance	**132,653,011**	120,423,034	97,201,129
Card charges	**66,669,395**	53,779,708	45,121,742
Pension costs (see Note 25)	**22,434,482**	14,546,479	16,310,101
Dues and subscription	**13,749,885**	13,094,939	10,341,176
Commissary costs	**6,386,576**	5,146,686	7,752,978
Others	**440,440,190**	434,115,945	229,363,482
	₱12,380,181,221	₱10,813,468,207	₱9,683,398,537

22. **General and Administrative Expenses**

	2025	2024	2023
Salaries, wages and benefits	**₱698,897,393**	₱631,810,038	₱488,318,840
Advertising and promotions	**546,554,991**	381,872,376	359,299,037
Outside services	**318,149,282**	329,619,254	222,699,014
Taxes and licenses	**242,700,413**	222,740,758	135,915,603
Transportation and travel	**102,352,240**	95,892,365	72,280,741
Dues and subscriptions	**95,012,977**	71,257,853	71,645,058
Depreciation and amortization (see Note 24)	**93,700,558**	90,722,306	53,002,694
Supplies	**53,923,167**	45,943,177	40,215,246
Pension costs (see Note 25)	**40,721,392**	29,879,029	21,041,870
Utilities	**23,073,552**	21,372,483	21,453,133
Repairs and maintenance	**22,598,785**	21,095,924	14,073,143
Insurance	**15,288,382**	11,281,449	10,708,590
Provision for ECL - net (see Note 8)	**6,558,710**	3,878,702	–
Gas expenses	**6,281,420**	15,401,372	13,587,718
Directors' fees	**1,649,252**	1,088,109	1,652,632
Royalty	**651,957**	2,311,114	7,829,969
Others	**67,597,454**	19,911,294	19,680,687
	₱2,335,711,925	₱1,996,077,603	₱1,553,403,975

23. **Personnel Expenses**

	2025	2024	2023
Salaries, wages, bonuses, and allowances:			
Cost of sales (see Note 21)	**₱1,432,741,418**	₱1,169,195,810	₱1,058,983,492
General and administrative expenses (see Note 22)	**646,731,921**	611,702,841	449,192,968
SSS, Pag-ibig, Medicare and other contributions:			
Cost of sales (see Note 21)	**38,085,139**	30,160,209	32,080,237
General and administrative expenses (see Note 22)	**52,165,472**	20,107,197	39,125,872
Pension costs:			
Cost of sales (see Notes 21 and 25)	**22,434,482**	14,546,479	16,310,101
General and administrative expenses (see Notes 22 and 25)	**40,721,392**	29,879,029	21,041,870
	₱2,232,879,824	₱1,875,591,565	₱1,616,734,540

24. Depreciation and Amortization

	2025	2024	2023
Property and equipment:			
Cost of sales (see Note 21)	**₱478,740,364**	₱401,527,186	₱323,010,907
General and administrative expenses (see Note 22)	**57,109,381**	63,689,414	29,738,323
Right-of-use assets:			
Cost of sales (see Note 21)	**614,942,435**	431,497,900	369,293,924
Software -			
Cost of sales (see Note 21)	**1,518,738**	–	12,469,671
General and administrative expenses (see Note 22)	**35,471,828**	25,911,577	22,314,736
Franchise -			
General and administrative expenses (see Note 22)	**1,119,349**	1,121,315	949,635
	₱1,188,902,095	₱923,747,392	₱757,777,196

25. Pension Costs

The Group has a funded, noncontributory defined benefit pension plan covering substantially all of its qualified employees. The benefits are based on years of service and percentage of compensation during the last year of employment. Based on the Group's retirement plan, employees who completed at least five (5) years of service qualify in the early retirement plan of the Group. Current service cost and interest cost were computed using the financial assumptions at the beginning of the year reflecting the benefits offered under the plan amendment. Any changes in that effect, excluding amount in net interest, are recognized in OCI.

The following tables summarize the components of net pension costs in the consolidated statements of comprehensive income in 2025 and 2024 and accrued pension costs in the consolidated statements of financial position as at December 31, 2025 and 2024. The latest actuarial valuation is as at December 31, 2025.

	2025	2024	2023
Pension costs:			
Current service cost	**₱54,320,375**	₱37,263,665	₱31,186,128
Past service cost	**(460,200)**	–	–
Net interest cost	**9,295,699**	7,161,843	6,165,843
	₱63,155,874	₱44,425,508	₱37,351,971

	2025	2024
Accrued pension costs:		
Present value of benefit obligation (PVBO)	**₱326,193,223**	₱316,595,772
Fair value of plan assets (FVPA)	**(123,381,833)**	(164,381,692)
	₱202,811,390	₱152,214,080

Movements in the PVBO are as follows:

	2025	2024
Balance at beginning of year	**₱316,595,772**	₱276,109,297
Current service cost	**54,320,375**	37,263,665
Past service cost	**(460,200)**	–
Interest cost	**19,339,421**	16,807,952
Net actuarial gain	**(11,091,236)**	(9,494,318)
Benefits paid from plan assets	**(52,510,909)**	(4,090,824)
Balance at end of year	**₱326,193,223**	₱316,595,772

Movements in the FVPA are as follows:

	2025	2024
Balance at beginning of year	**₱164,381,692**	₱158,508,419
Interest income	**10,043,722**	9,646,109
Contributions	**2,053,732**	1,882,243
Net actuarial loss	**(586,404)**	(272,661)
Remeasurement - plan asset	**–**	(1,291,594)
Benefits paid from plan assets	**(52,510,909)**	(4,090,824)
Balance at end of year	**₱123,381,833**	₱164,381,692

Movements in the accrued pension costs are as follows:

	2025	2024
Balance at beginning of year	**₱152,214,080**	₱117,600,878
Pension costs	**63,155,874**	44,425,508
Contributions	**(2,053,732)**	(1,882,243)
Actuarial gain	**(10,504,832)**	(7,930,063)
Balance at end of year	**₱202,811,390**	₱152,214,080

Amounts recognized in OCI are as follows:

	2025	2024	2023
Actuarial gain (loss) - PVBO	**₱11,091,236**	₱9,494,318	₱7,189,103
Actuarial gain (loss) - FVPA	**(586,404)**	(1,564,255)	(3,955,299)
Deferred income tax	**(2,596,016)**	(1,927,760)	(872,047)
	₱7,908,816	₱6,002,303	₱2,361,757

The details of the market value of the Group’s plan assets are shown below:

	2025	2024
Investments:		
Government securities	**₱69,369,889**	₱107,207,951
Stocks	**26,294,090**	33,654,076
Deposit in banks	**5,636**	151,935
Other securities	**26,765,080**	22,128,621
Total investments	**122,434,695**	163,142,583

(Forward)

	2025	2024
Other assets:		
Interest receivable	**₱1,026,390**	₱1,316,075
Total assets	**123,461,085**	164,458,658
Fees payable	**(79,252)**	(76,966)
Net asset value	**₱123,381,833**	₱164,381,692

The plan assets were invested in fixed income securities and equity investments. All equity and debt instruments held have quoted prices in active market. Investment activities entered by the plan asset/ liability matching strategy during the year consist of, but is not limited to, buying and selling of securities. All investments are considered as high grade based on its performance in the market.

The management performs an Asset-Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plans.

The principal assumptions used in determining retirement benefit costs as at January 1 were as follows:

	2025	2024	2023
Discount rates at beginning of year	**6.31%**	6.11%	7.12%
Rate of compensation increase	**4.00%**	4.00%	5.00%

The discount rates and salary increase rates used in determining the retirement benefit obligation as of December 31, 2025 are 6.31% and 4.00%, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation assuming all other assumptions were held constant:

	2025		**2024**	
	Increase (decrease)	**Amount**	Increase (decrease)	Amount
Discount rates	**0.50%**	**(₱10,089,176)**	0.50%	(₱7,832,216)
	(0.50%)	**11,957,567**	(0.50%)	9,586,039
Salary increase rate	**1.00%**	**26,033,942**	1.00%	21,256,137
	(1.00%)	**(18,750,025)**	(1.00%)	(14,511,315)

Shown below is the maturity profile of the undiscounted benefit payments as of December 31, 2025 and 2024:

	2025	2024
1 year and less	**₱96,879**	₱27,283,187
more than 1 year to 5 years	**22,795,250**	18,583,829
more than 5 years to 10 years	**162,425,238**	119,689,076
more than 10 years to 15 years	**165,831,724**	162,462,112
more than 15 years to 20 years	**602,747,700**	480,912,513
more than 20 years	**9,348,724,917**	7,003,770,596

The Group expects to contribute ₱64.1 million to the fund in 2026.

The plan contributions are based on the actuarial present value of accumulated plan benefits and fair value of plan assets are determined using an independent actuarial valuation. The net defined benefit cost and the contributions to the plan are specifically identifiable, such that, the Group's PVBO pertains only to the benefit of the Group's employees and the FVPA, pertains only to the contributions made by the Group. The Group shall contribute to the Fund such amounts as shall be required, under actuarial principles, to provide the benefits and the expenses incident to the operation and administration of the Fund.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out by an independent actuary for the year ended December 31, 2025.

26. **Interest Expense**

	2025	2024	2023
Long-term loans payables (see Note 17)	**₱230,047,586**	₱231,603,423	₱212,864,549
Lease liabilities (see Note 13)	**172,129,570**	123,841,072	111,567,612
Short-term loans payable (see Note 15)	**68,348,472**	44,250,278	25,510,044
Contract liabilities (see Note 20)	**6,216,955**	3,825,897	6,185,379
Debt issue cost	**7,544,137**	7,443,182	5,361,522
Others	**10,056,600**	–	–
	₱494,343,320	₱410,963,852	₱361,489,106

27. **Other Income (Charges)**

	2025	2024	2023
Service fee and expired loyalty fund points - net	**₱62,229,761**	₱1,798,511	₱23,871,145
Other income from franchisees	**10,928,041**	4,655,385	5,432,399
Accretion income from rental deposits (see Note 14)	**6,256,971**	–	1,692,305
Unrealized foreign exchange gain (loss)	**4,686,589**	(1,336,680)	(3,021,396)
Gain (loss) on:			
Disposal of inventories	**–**	(1,340)	(8,471,354)
Disposal of property and equipment	**(7,051,865)**	(7,865,551)	1,228,757
Pre-termination of leases (see Note 13)	**25,548,805**	8,132,638	(1,226,148)
Provision for (reversal of) Legal and other contingencies– net	**(12,361,296)**	12,361,296	–
Others - net	**8,514,419**	11,912,970	(1,191,326)
	₱98,751,425	₱29,657,229	₱18,314,382

Other income from franchisees pertains mostly to cash overages, fees charged by the Group to its franchisees for the new module of the point-of-sale machines, rental income and incentives given by a supplier for high volume purchases.

28. Income Taxes

The details of the Parent Company's subsidiaries with net deferred tax assets are as follows:

	2025	2024
Deferred tax assets:		
Lease liabilities	**₱183,070,582**	₱135,438,855
NOLCO	**262,542,850**	183,865,329
MCIT	**10,419,421**	6,245,300
Accrued pension costs	**4,911,293**	1,864,761
Loyalty points	**2,912,106**	1,734,389
Allowance for expected credit losses	**652,646**	652,646
Unamortized past service cost	**492,749**	518,130
Accrued bonus and other expense	**–**	273,826
	₱465,001,646	₱330,593,236
Deferred tax liabilities -		
Right-of-use-asset	**(166,287,592)**	(124,201,862)
	₱298,714,054	₱206,391,374

The details of the Parent Company's net deferred tax liabilities are as follows:

	2025	2024
Deferred tax assets:		
Lease liabilities	**₱376,472,349**	₱330,227,942
NOLCO	**389,978,322**	198,783,083
MCIT	**61,621,061**	42,406,225
Accrued pension costs	**45,921,431**	36,797,514
Contract liabilities	**40,841,276**	34,593,940
Difference in depreciation due to adoption of lease standard	**13,339,987**	20,315,454
Accrued bonus and other expenses	**9,480,587**	8,439,261
Loyalty points	**6,623,651**	2,613,860
Unamortized past service cost	**336,111**	575,726
Provision for tax assessment	**–**	928,315
Allowance for:		
Inventory obsolescence	**1,190,628**	1,190,628
Expected credit losses	**3,142,685**	2,341,792
Unrecoverable deposits	**824,323**	824,323
Unrealized foreign exchange loss	**102,674**	364,227
	949,875,085	680,402,290

(Forward)

	2025	2024
Deferred tax liabilities:		
Trademarks acquired in a business combination	**₱805,565,467**	₱805,565,467
Right-of-use assets	**311,437,718**	267,473,191
Financial Assets at FVOCI	**2,223,799**	2,976,234
Debt issuance cost	**263,728**	1,340,381
Unrealized foreign exchange gain	**236,510**	
	1,119,727,222	1,077,355,273
	(₱169,852,137)	(₱396,952,983)

Deferred taxes were not provided for undistributed earnings of subsidiaries in retained earnings position that are not taxable upon distribution or when the Parent Company has control over the distribution of such earnings in the foreseeable future, as these may be earmarked for reinvestment in foreign projects or for other reasons.

The deferred tax assets were measured using the appropriate corporate income tax rate on the year these are expected to be reversed. The Group computes for deferred tax using the 25% tax rate except for its subsidiaries, namely BMI, SPCI and SSI, which compute for deferred tax using the OSD effective tax rate of 15% and foreign subsidiaries using the applicable foreign tax rates in the respective jurisdictions where the subsidiaries operate.

NOLCO that can be applied against future taxable income is as follows:

Year Incurred	Availment Period	Amount	Applied in Previous Year/s	Expired	Applied in Current Year	Unapplied
2023	2024-2026	313,526,691	–	–	–	313,526,691
2024	2025-2027	1,132,776,469	–	–	–	1,132,776,469
2025	2026-2028	1,112,244,358	–	–	–	1,112,244,358
		₱2,656,909,367	₱–	₱–	₱–	₱2,558,547,518

The MCIT that can be applied against future RCIT is as follows:

			MCIT			
Year Incurred	Availment Period	Amount	Applied in Previous Year/s	Expired	Applied in Current Year	Unapplied
2023	2024-2026	₱24,488,771	₱–	₱–	₱–	₱24,488,771
2024	2025-2027	24,162,754	–	–	–	24,162,754
2025	2026-2028	27,817,513	–	–	–	27,817,513
		₱76,469,038	₱–	₱–	₱–	₱76,469,038

Included in the deferred tax assets recognized by the Group are deferred tax assets on net operating loss carryover (NOLCO) of foreign subsidiaries amounting to ₱200.6 million as of December 31, 2025. These were computed using the applicable foreign tax rates in the respective jurisdictions where the subsidiaries operate.

The Group's deferred tax on NOLCO amounting to ₱159.4 million and MCIT ₱4.4 million were not recognized since management believes that it is not probable that taxable profit will be available against which the deferred tax asset on NOLCO can be utilized.

The details of provision for (benefit from) income tax are as follows:

	2025	2024	2023
Current:			
RCIT	**₱385,887,307**	₱385,846,477	₱266,526,100
Deficiency income tax settlement	**33,906,157**	–	–
MCIT	**27,817,513**	24,162,754	22,142,778
Final withholding taxes	–	1,138,000	3,302,588
Deferred	**(322,123,755)**	(341,638,782)	(127,007,314)
	₱125,487,222	₱69,508,449	₱164,964,152

The reconciliation between the provision for income tax computed at statutory income tax rate and the provision for (benefit from) income tax as shown in the consolidated statements of comprehensive income is as follows:

	2025	2024	2023
Tax on pretax income at statutory tax rate	**₱235,267,269**	₱315,728,998	₱311,102,681
Tax effects of:			
Application of OSD	**(257,449,071)**	(257,978,502)	(178,348,879)
Nondeductible expenses	**56,399210**	33,848,615	50,482,452
Nontaxable income	**(4,589,984)**	(21,070,525)	(15,997,589)
Interest income subject to final tax	**(802,210)**	(1,020,137)	(2,274,513)
Unrecognized DTA	**41,683,229**	–	–
Expired NOLCO	**21,072,622**	–	–
Deficiency income tax settlement	**33,906,157**	–	–
Provision for income tax	**₱125,487,222**	₱69,508,449	₱164,964,152

The Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million per their consolidated financial statements.

The Pillar Two model rules introduce four new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):
- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payments/Profits Rule (UTPR)

The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax. The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements a QDMTT. The Group has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; And,
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation

The Pillar Two model rules were adopted by the Group at the end of 2024 and are applicable starting from 1 January 2025. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2025.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2025 financial information for the constituent entities in the Group. Based on the assessment, transitional safe harbour relief applies to the material jurisdictions in which the Group operates. The Group does not expect a material exposure to Pillar Two income taxes.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

29. **Financial Risks Management Objectives and Policies**

The Group's principal financial instruments comprise cash, trade and other receivables and short-term and long-term loans payable. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as rental deposit, accounts payable and other current liabilities, and dealers' deposits arising directly from operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below:

<u>Market risk</u>
Market risk happens when the changes in market prices, such as foreign exchange rates and interest rates will affect the Group's profit or the value of its holdings of financial instruments. The objective and management of this risk are discussed below.

Foreign currency exchange risk
Foreign currency exchange risk arises when an investment's value changes due to movements in currency exchange rate. Foreign exchange risk also arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Group's functional currency.

The Group undertakes certain transactions denominated in Chinese Yuan (CNY), Singapore Dollars (SGD) and US Dollars (USD), hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in such currency. Significant fluctuation in the exchange rates could significantly affect the Group's financial position.

The following table presents the financial assets and financial liabilities of the Group denominated in Chinese Yuan, Singapore Dollars, US Dollars, and Hongkong dollars:

	2025					2024				
	Original Currency Chinese Yuan	**Original Currency Singapore Dollars**	**Original Currency US Dollars**	**Original Currency HKD Dollars**	**Philippine Peso Equivalent**	Original Currency Chinese Yuan	Original Currency Singapore Dollars	Original Currency US Dollars	Original Currency HKD Dollars	Philippine Peso Equivalent
Financial Assets										
Cash	**CNY2,455,817**	**SGD600,146**	**USD967,395**	**HKD98,324**	**PHP105,721,096**	CNY6,951,220	SGD495,343	USD527,904	HKD71,102	PHP107,565,061
Trade and other receivables	**2,794,436**	**162,259**	**1,829,116**	**17,523,737**	**271,609,234**	2,857,131	142,958	912,302	16,027,358	201,937,219
Rental and other deposits	**6,816,355**	**359,261**	**31,575**	**–**	**75,499,960**	5,290,001	486,055	–	–	62,810,054
	12,066,608	**1,121,666**	**2,828,086**	**17,622,061**	**452,830,290**	15,098,352	1,124,356	1,440,206	16,098,460	372,312,334
Financial Liabilities										
Accounts payable and other current liabilities:	**13,181,078**	**1,069,805**	**2,860,338**	**23,083,337**	**503,207,508**	5,696,915	777,879	3,387,700	19,831,856	423,731,449
Lease liabilities	**4,771,685**	**1,723,339**	**–**	**–**	**118,963,370**	9,031,909	1,121,726	–	–	119,701,381
	17,952,763	**2,793,144**	**2,860,338**	**23,083,337**	**622,170,878**	14,728,824	1,899,605	3,387,700	19,831,856	543,432,830
Net Foreign Currency-Denominated Financial Assets (Liabilities)	**(CNY5,886,155)**	**(SGD1,671,478)**	**(USD32,252)**	**(HKD5,461,276)**	**(PHP169,340,588)**	CNY369,528	(SGD775,249)	(USD1,947,494)	(HKD3,733,396)	(PHP171,120,496)

In translating the foreign currency-denominated monetary assets and liabilities into Philippine Peso amounts, the Group used the following exchange rates as of December 31 2025 and 2024:

Currency	**2025**	2024
CNY	**8.39**	7.95
SGD	**45.8**	42.7
USD	**58.8**	58.0
HKD	**7.6**	7.5

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine Peso exchange rate, with all variables held constant, of the Group's income or loss before income tax at December 31, 2025 and 2024.

	2025		2024	
	Increase (Decrease)	Income before income tax	Increase (Decrease)	Income before income tax
Chinese Yuan	**+4.4%**	**(₱1,975,394)**	+4.4%	₱117,510
	-4.4%	**1,975,394**	-4.4%	(117,510)
Singapore Dollars	**+4.4%**	**(3,062,147)**	+4.4%	(1,324,125)
	-4.4%	**3,062,147**	-4.4%	1,324,125
US Dollars	**+4.4%**	**(75,854)**	+4.4%	(4,518,185)
	-4.4%	**75,854**	-4.4%	4,518,185
HKD Dollars	**+4.4%**	**(1,660,228)**	+4.4%	(1,120,019)
	-4.4%	**1,660,228**	-4.4%	1,120,019

Further, management assessed that the sensitivity analysis is not a representative of the currency exchange risk

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to its short-term and long-term loans with floating interest rates.

The following table demonstrates the sensitivity of the Group's income before income tax through the impact on floating rate borrowings in 2025 and 2024 to a reasonably possible change in interest rates, with all other variables held constant.

There is no impact on the Group's equity other than those already affecting the net income.

	2025	2024
Increased by 1%	**₱11,381,688**	₱51,267,871
Decreased by 1 %	**(11,381,688)**	(51,267,871)

Credit Risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by trading only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The table below shows the maximum exposure to credit risk for the Group's financial assets, without taking account of any collateral and other credit enhancements:

	2025	2024
Cash*	**₱1,088,337,100**	₱1,194,311,478
Trade and other receivables	**1,729,416,840**	1,560,255,051
Rental and other deposits**	**452,414,707**	379,582,212
Financial assets at FVOCI**	**23,600,000**	26,000,000
Total credit risk exposure	**₱3,293,768,647**	₱3,160,148,741

**Excluding cash on hand.*
***Included under Rental deposits and other noncurrent assets in the consolidated statements of financial position*

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

2025				**Days past due**			
	Current	**<30 days**	**30-60 days**	**61-90 days**	**90-120 days**	**>121 days**	**Total**
ECL rate	**0.41%**	**0.73%**	**1.31%**	**2.35%**	**4.21%**	**7.54%**	
Estimated total gross carrying at default	**₱1,262,167,010**	**₱207,207,260**	**₱46,049,895**	**₱27,247,777**	**₱43,370,319**	**₱122,604,781**	**₱1,708,647,042**
ECL	**₱5,163,268**	**₱1,518,128**	**₱604,265**	**₱640,362**	**₱1,825,504**	**₱9,242,581**	**₱18,994,108**

2024				Days past due			
	Current	<30 days	30-60 days	61-90 days	90-120 days	>121 days	Total
ECL rate	0.30%	0.59%	1.19%	2.38%	4.76%	9.52%	
Estimated total gross carrying at default	₱1,177,200,460	₱204,185,514	₱46,339,788	₱16,639,682	₱22,614,656	₱73,318,895	₱1,540,298,995
ECL	₱3,501,452	₱1,214,654	₱551,330	₱395,943	₱1,076,236	₱6,978,525	₱13,718,140

The tables below detail the credit quality of the Group's financial assets and other items, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	Internal credit rating	**12m or lifetime ECL**	**Gross carrying amount (i)**	**Loss allowance**	**Net carrying amount**
2025					
Cash*	(i)	12m ECL	**₱1,088,337,100**	**₱–**	**₱1,088,337,100**
Trade receivables	(i)	Lifetime ECL	**1,708,647,042**	**18,994,108**	**1,689,652,934**
Other receivables	Performing	12m ECL	**39,763,906**	**–**	**39,763,906**
Rental and other deposits**	Performing	12m ECL	**455,712,000**	**3,297,293**	**452,414,707**
			₱3,292,460,048	**₱22,291,401**	**₱3,270,168,647**
2024					
Cash*	(i)	12m ECL	₱1,194,311,478	₱–	₱1,194,311,478
Trade receivables	(i)	Lifetime ECL	1,540,298,995	13,718,140	1,526,580,855
Other receivables	Performing	12m ECL	33,674,196	–	33,674,196
Rental and other deposits**	Performing	12m ECL	382,879,505	3,297,293	379,582,212
			₱3,151,164,174	₱17,015,433	₱3,134,148,741

**Excluding cash on hand.*
***Included under Rental deposits and other noncurrent assets in the consolidated statements of financial position*

(i) For trade receivables, the Group has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix.

Liquidity Risk. Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of advances to related parties. The Group maintains sufficient cash to finance its operations.

The Group manages its liquidity risk by maintaining strength and quality on financial position where debt-to-equity ratio is at a manageable level. The Group also maintains a financial strategy that the scheduled debts are within the Group's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments and liquidity.

	2025					
	Due and Demandable	**< 90 Days**	**91–180 Days**	**181–365 Days**	**Over 365 Days**	**Total**
Cash	**₱1,167,134,283**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,167,134,283**
Trade and other receivables	**1,277,509,531**	**283,914,666**	**81,939,901**	**34,173,909**	**51,878,833**	**1,729,416,840**
Rental and other deposits	**347,311,507**	**–**	**–**	**–**	**105,103,201**	**452,414,708**
Financial assets at FVOCI	**23,600,000**	**–**	**–**	**–**	**–**	**23,600,000**
	2,815,555,321	**283,914,666**	**81,939,901**	**34,173,909**	**156,982,034**	**3,371,565,831**
Short-term loans**	**–**	**–**	**–**	**1,252,612,500**	**–**	**1,252,612,500**
Accounts payable and other current liabilities:						
Trade payables	**–**	**1,282,013,651**	**–**	**–**	**–**	**1,282,013,651**
Nontrade payables	**–**	**387,217,267**	**–**	**–**	**–**	**387,217,267**
Accrued expenses	**–**	**494,069,701**	**–**	**–**	**–**	**494,069,701**
Other payables*	**–**	**64,729,303**	**–**	**–**	**–**	**64,729,303**
Dealers' deposit and other noncurrent payables	**–**	**–**	**–**	**–**	**105,559,382**	**105,559,382**
Long-term loans payable**	**–**	**–**	**–**	**–**	**4,989,443,349**	**4,989,443,349**
Lease liabilities	**–**	**–**	**–**	**619,305,220**	**2,846,056,456**	**3,465,361,676**
	–	**2,228,029,922**	**–**	**1,871,917,720**	**7,941,059,187**	**12,041,006,829**
Liquidity gap	**₱2,815,555,321**	**(₱1,944,115,256)**	**₱81,939,901**	**(₱1,837,743,811)**	**(₱7,784,077,153)**	**(₱8,669,4400,998)**

**Excluding statutory payables.*
***Including future interest payments.*

	2024					
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Cash	₱1,319,799,492	₱–	₱–	₱–	₱–	₱1,319,799,492
Trade and other receivables	1,192,452,225	270,626,363	66,946,969	5,601,706	24,627,788	1,560,255,051
Rental deposits and other noncurrent assets	314,139,484	–	–	–	80,799,558	394,939,042
Financial assets at FVOCI	26,000,000	–	–	–	–	26,000,000
	2,852,391,201	270,626,363	66,946,969	5,601,706	105,427,346	3,300,993,585
Short-term loans**	–	–	–	1,015,328,142	–	1,015,328,142
Accounts payable and other current liabilities:						
Trade payables	–	1,263,815,833	–	–	–	1,263,815,833
Nontrade payables	–	248,303,761	–	–	–	248,303,761
Accrued expenses	–	495,030,402	–	–	–	495,030,402
Other payables*	–	53,017,751	–	–	–	53,017,751
Dealers' deposit and other noncurrent payables	–	–	–	–	82,188,507	82,188,507
Long-term loans payable**	–	–	–	–	5,897,225,843	5,897,225,843
Lease liabilities	–	–	–	589,572,083	2,495,567,534	3,085,139,617
	–	2,060,167,747	–	1,604,900,225	8,474,981,884	12,140,049,856
Liquidity gap	₱2,852,391,201	(₱1,789,541,384)	₱66,946,969	(₱1,599,298,519)	(₱8,369,554,538)	(₱8,839,056,271)

**Excluding statutory payables.*
***Including future interest payments.*

Capital Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group adjusts the dividend payment to stockholders, return capital to stockholders or issue new shares.

The Group’s debt-to-equity ratio is as follows:

	2025	2024
Total liabilities	**₱11,651,712,872**	₱11,521,795,766
Total equity	**9,302,280,633**	8,853,725,783
	1.25:1	1.30:1

30. Fair Value Information

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm’s length transaction, other than in forced or liquidation sale.

Financial Instruments Whose Carrying Amounts Approximate Fair Value. Management has determined that the carrying amounts of cash, financial assets at FVPL, trade and other receivables and accounts payable and other current liabilities, based on their notional amounts, reasonably approximates their fair values because these are mostly short-term in nature or are repriced frequently.

Other Financial Instruments. Set out below is a comparison by category of carrying amounts and estimated fair values of the Group’s financial instruments other than those described above:

	As at December 31, 2025			
			Fair Value	
	Date of Valuation	**Carrying Value**	**Level 1 Quoted**	**Level 2 Significant Observable Input**
Assets for which fair values are disclosed -				
Rental deposits and other noncurrent assets	**December 31, 2025**	**₱539,392,774**	**₱–**	**₱476,432,837**
		₱539,392,774	**₱–**	**₱476,432,837**
Liabilities for which fair values are disclosed:				
Long-term loans payable	**December 31, 2025**	**₱4,829,060,215**	**₱–**	**₱3,358,178,175**
Dealers’ deposits and other noncurrent liabilities	**December 31, 2025**	**105,559,382**	**–**	**105,495,692**
		₱4,934,619,597	**₱–**	**₱3,463,673,867**

	As at December 31, 2024			
			Fair Value	
	Date of Valuation	Carrying Value	Level 1 Quoted	Level 2 Significant Observable Input
Assets for which fair values are disclosed -				
Rental deposits and other noncurrent assets	December 31, 2024	₱420,939,042	₱–	₱313,094,209
		₱420,939,042	₱–	₱313,094,209
Liabilities for which fair values are disclosed:				
Long-term loans payable	December 31, 2024	₱5,192,570,991	₱–	₱4,437,875,060
Dealers' deposits and other noncurrent liabilities	December 31, 2024	82,188,507	–	61,131,763
		₱5,274,759,498	₱–	₱4,499,006,823

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Rental Deposits. The fair values were obtained by discounting the instruments' expected cash flows using interest rates of 4.69% to 6.41% as at December 31, 2025 and of 5.71% to 6.18% as at December 31, 2024.

Long-term loans Payable. The fair value of loan payable which was discounted using prevailing market rate of 5.56% and 5.99% as at December 31, 2025 and 2024, respectively, approximates the carrying value since these bear interest at current market rates. Fair value category is Level 2, significant observable inputs.

Dealers' Deposits. The fair values were obtained by discounting the instruments' expected cash flows using interest rates of 5.93% and 6.10% as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, there were no transfers between Level 1 and 2 fair value measurements.

31. Commitments

<u>Trademark Licensing and Franchise Agreements</u>
The Group has existing Trademark Licensing and Franchise Agreements with independent franchisees to operate restaurant outlets under the "Shakey's", "Peri-Peri" and "Potato Corner" brand name, method, concept and trade name. In consideration thereof, the franchisees agree to pay continuing franchise fees equivalent to a certain percentage of the franchisees' net sales.

The franchisees also pay management fees for various services, including maintenance services, rendered by the Group.

The Group recognized royalty and franchise fees amounting to ₱874.5 million in 2025, ₱804.7 million in 2024 and ₱487.4 million in 2023 (see Note 20). Royalty receivables as at December 31, 2025 and 2024 amounted ₱84.5 million and ₱79.2 million, respectively (see Note 8).

32. Earnings per Share (EPS)

Basic earnings (loss) per share (EPS) is computed based on the weighted average number of issued and outstanding common shares during each year. Diluted EPS is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year. When there are no potential common shares or other instruments that may entitle the holder to common shares, diluted EPS, is the same as the basic EPS.

There are no dilutive financial instruments as of December 31, 2025 and 2024, hence, diluted EPS is the same as the basic EPS.

The Group's EPS were computed as follows:

	2025	2024	2023
(a) Net income	**₱815,581,852**	₱1,193,407,543	₱1,079,446,570
(b) Weighted average number of shares outstanding	**1,683,760,178**	1,683,760,178	1,683,760,178
Basic/diluted EPS (a/b)	**₱0.48**	₱0.71	₱0.64

33. **Notes to Consolidated Statements of Cash Flows**

The following are the noncash activities for the years ended December 31, 2025 and 2024.

	2025			
	January 1	**Net cash flows**	**Noncash changes**	**December 31**
Rental and other deposits and advances (a)	**₱394,939,042**	**₱114,596,761**	**₱6,256,971**	**₱515,792,774**
Loans payable (b)	**6,192,570,991**	**(151,054,913)**	**7,544,137**	**6,049,060,215**
Contract liabilities (c)	**222,059,576**	**8,125,827**	**6,216,955**	**236,402,358**

	2024			
	January 1	Net cash flows	Noncash changes	December 31
Rental and other deposits and advances (a)	₱283,113,712	₱111,825,330	₱–	₱394,939,042
Loans payable (b)	5,942,570,991	242,556,818	7,443,182	6,192,570,991
Contract liabilities (c)	147,941,962	70,291,818	3,825,897	222,059,677

Details of the noncash changes are as follows:

(a) Pertains to accretion of interest expense and interest income on long-term rental deposits included in "Rental deposits and other noncurrent assets" and long-term dealer's deposits included in "Dealer's deposits and other noncurrent liabilities", respectively.
(b) Pertains to amortization of debt issuance cost during the year amounting to ₱7.5 million and ₱7.4 million in 2025 and 2024, respectively. Additional noncash changes refer to the reclassification of ₱320.0 million loan from long-term to short-term loan payable.
(c) Pertains to the accretion of the significant financing component of contract liabilities during the year amounting to ₱6.2 million and ₱3.8 million in 2025 and 2024, respectively.

The changes in the Group's liabilities arising from financing activities are as follows:

	2025						
	January 1	**Additions**	**Proceeds**	**Payments**	**Interest expense**	**Other movements**	**December 31**
Lease liabilities*	**₱2,121,756,084**	**₱950,750,062**	**₱–**	**(₱713,427,815)**	**₱172,129,570**	**(₱76,454,524)**	**₱2,454,753,377**
Loans payable**	**6,192,570,991**	**–**	**–**	**(151,054,913)**	**–**	**7,544,137**	**6,049,060,215**
Dividends	**–**	**336,752,036**	**–**	**(336,752,036)**	**–**	**–**	**–**
Accrued interest***	**–**	**–**	**–**	**(308,452,657)**	**494,343,320**	**(185,890,663)**	**–**
Total liabilities from financing activities	**₱8,314,327,075**	**₱1,287,502,098**	**₱–**	**(₱1,509,687,421)**	**₱666,472,890**	**(₱254,801,050)**	**₱8,503,813,592**

**Other movements pertain to the gain on lease concession and derecognition of lease liability*
***Other movements pertain to amortization of debt service costs*
****Other movements pertain to interest accretion for PFRS 15*

	2024						
	January 1	Additions	Proceeds	Payments	Interest expense	Other movements	December 31
Lease liabilities*	₱1,830,838,499	₱689,806,537	₱–	(₱473,742,119)	₱123,841,072	(₱48,987,905)	₱2,121,756,084
Loans payable**	5,942,570,991	–	300,000,000	(50,000,000)	–	–	6,192,570,991
Dividends	–	336,752,036	–	(336,752,036)	–	–	–
Accrued interest***	–	–	–	(283,296,884)	410,963,852	(127,666,968)	–
Total liabilities from financing activities	₱7,773,409,490	₱1,026,558,573	₱300,000,000	(₱1,143,791,039)	₱534,804,924	(₱176,654,873)	₱8,314,327,075

**Other movements pertain to the gain on lease concession and derecognition of lease liability*
***Other movements pertain to amortization of debt service costs*
****Other movements pertain to interest accretion for PFRS 15*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Shakey's Pizza Asia Ventures Inc.
15Km East Service Road corner Marian Road 2
Barangay San Martin de Porres, Parañaque City 1700

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Shakey's Pizza Asia Ventures Inc. and its subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, included in this Form 17-A, and have issued our report thereon dated April 14, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 99857-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-105-2025, October 20, 2025, valid until October 19, 2028
PTR No. 10765144, January 2, 2026, Makati City

April 14, 2026

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Shakey's Pizza Asia Ventures Inc.
15Km East Service Road corner Marian Road 2
Barangay San Martin de Porres, Parañaque City 1700

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Shakey's Pizza Asia Ventures Inc. and its subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 14, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 99857-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-105-2025, October 20, 2025, valid until October 19, 2028
PTR No. 10765144, January 2, 2026, Makati City

April 14, 2026

SHAKEY'S PIZZA ASIA VENTURES, INC.
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FORM 17-A, Item 7
AS OF DECEMBER 31, 2025

Table of Contents

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
Schedule A. Financial Assets
As of December 31, 2025

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Alabang Country Club	1	₱ 23,600,000	₱ 23,600,000	₱ -

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
As of December 31, 2025

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Reclassified	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
Employees	₱ 33,674,196	₱ 29,857,629	₱ 23,767,919	₱ -	₱ -	₱ 39,763,906	₱ -	₱ 39,763,906

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
Schedule C. Accounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
As of December 31, 2025

			Deductions				
Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amount Collected	Amount Written-Off	Current	Non Current	Balance at End of Period
Shakey's Seacrest Inc. (SSI)	₱ 184,569,468	₱ 205,250,705	₱ 72,334,861	₱ -	₱ 317,485,312	₱ -	₱ 317,485,312
Shakey's International Ltd. (SIL)	64,326,486	15,729,090	513,832	-	79,541,744	-	79,541,744
Shakeys Pizza Commerce Inc (SPCI)	4,822,962,882	3,296,010,744	676,729,212	-	7,442,244,415	-	7,442,244,415
Bakemasters, Inc. (BMI)	991,501	1,333,227	-	-	2,324,728	-	2,324,728
Wow Brand Holdings, Inc. (WBHI)	1,580,299,750	1,118,468,867	149,964,056	-	2,548,804,560	-	2,548,804,560
	₱ 6,653,150,086	₱ 4,636,792,632	₱ 899,541,960	₱ -	₱ 10,390,400,759	₱ -	₱ 10,390,400,759

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
Schedule D. Intangible Assets
As of December 31, 2025

Description	Beginning Balance	Additions At Cost	Deductions: Charged to Costs and Expenses	Deductions: Charged to Other Accounts	Other Changes- Additions (Deductions)	Ending Balance
Goodwill	₱ 1,324,852,131	₱ -	₱ -	₱ -	₱ -	₱ 1,324,852,131
Trademarks	8,759,352,242	-	-	-	-	8,759,352,242
Softwares- net	247,026,181	121,295,697	36,990,566	-	-	331,331,312
Franchise Rights- net	23,757,385	13,743,787	1,119,349	-	-	36,381,824
	₱ 10,354,987,939	₱ 135,039,484	₱ 38,109,914	₱ -	₱ -	₱ 10,451,917,509

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
Schedule E. Long-Term Debt
As of December 31, 2025

Bank	Beginning Balance	Availment	Payment	Ending Balance	Current	Noncurrent
BDO	₱ 3,597,932,514	₱ -	₱ (47,817,386)	₱ 3,550,115,128	₱ 3,550,115,128	₱ -
BPI	1,600,000,000	-	(320,000,000)	1,280,000,000	-	1,280,000,000
Unamortized debt issue costs	(5,361,523)	-	-	(1,054,913)	(1,054,913)	-
	₱ 5,192,570,991	₱ -	₱ (367,817,386)	₱ 4,829,060,215	₱ 3,549,060,215	₱ 1,280,000,000

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
As of December 31, 2025

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Not applicable: The Company has no indebtedness to related parties as at December 31, 2025.		
	₱ -	₱ -

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
Schedule G. Guarantees of Securities of Other Issuers
As of December 31, 2025

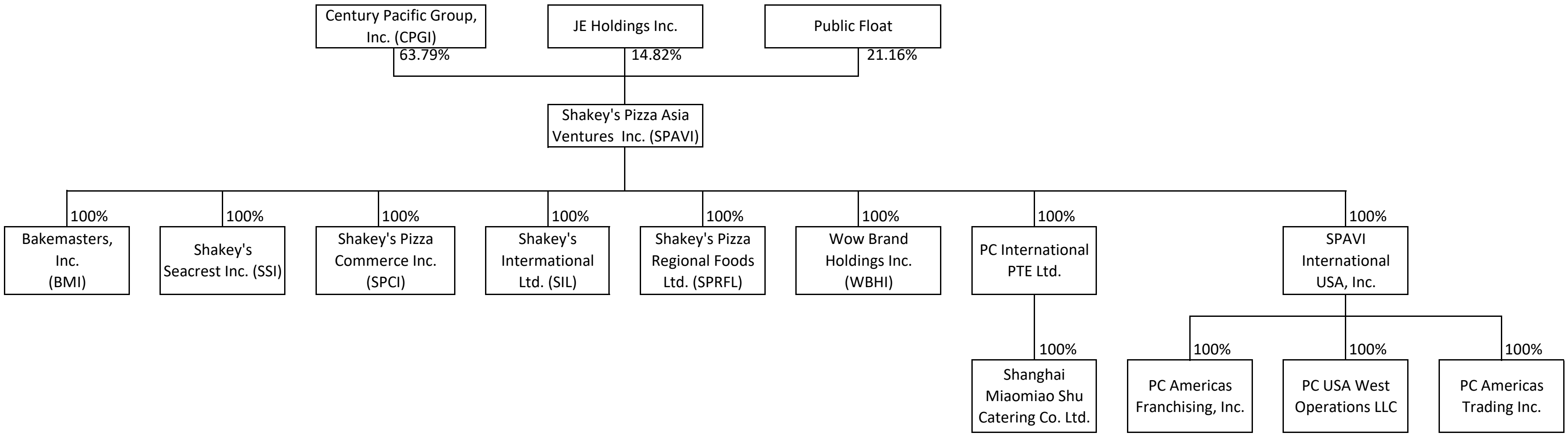
Name of Issuing Entity of Securities Guaranteed by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee
Not applicable: The Company has no guarantees of securities of other issuers as at December 31, 2025.				
		₱ -	₱ -	

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
Schedule H. Capital Stock
As of December 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Shares	**2,000,000,000**	**1,683,760,178**	**-**	**1,323,583,725**	**3,917,783**	**356,258,670**

-

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
CONGLOMERATE MAP
AS OF DECEMBER 31, 2025



Reconciliation of Retained Earnings
Available for Declaration
As at December 31, 2025

Unappropriated Retained earnings, beginning		**4,326,867,116**
Add:	**Catergory A: Items that are directly credited to Unapproriated Retained Earnings**	
	Reversal of Retained Earnings Appropriation/s	-
	Effect of restatements or prior-period adjustments	-
	Others (describe nature)	-
Less:	**Catergory A: Items that are directly credited to Unapproriated Retained Earnings**	
	Dividend declaraion during the reporting period	**336,752,037**
	Retained Earnings appropriated	-
	Effect of restatements or prior-period adjustments	-
	Others (describe nature)	-
Unappropriated Retained Earnings, as adjusted		**3,990,115,079**
Add/Less: Net income (loss) for the current year		**1,336,568,798**
Less:	**Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)**	
	Equity in net income of associate/joint venture, net of dividends declared	-
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	**535,344**
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair valie through profit or loss (FVTPL)	-
	Unrealized fair value gains on Investment Property	-
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
	Sub-total	**535,344**
Less:	**Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**	
	Realized foreign exchange gain, except those attributable to Cash and cash equivalents	**5,404,703**
	Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
	Realized fair value gain of Investment Property	-
	Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
	Sub-total	**5,404,703**
Add:	**Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)**	
	Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
	Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
	Reversal of previously recorded fair value gain of Investment Property	-
	Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
	Sub-total	-
	Adjusted Net Income/Loss	**5,320,743,829**

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Sub-total	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Sub-total	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	**(360,000)**
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set- up of service concession asset and concession payable	**(228,537,387)**
Adjustment due to deviation from PFRS/GAAP - gain (loss)	
Others – Remeasurement of retirement benefit obligation, net of tax	**5,389,625**
Sub-total	**(223,507,762)**
Total Retained Earnings, end of the reporting period available for dividend	**5,097,236,068**

SHAKEY'S PIZZA ASIA VENTURES INC.
FINANCIAL SOUNDNESS INDICATORS-FINANCIAL INDICATOR
As of December 31, 2025

Ratio	Formula	Current Year	Prior Year
Current ratio	**Total Current Assets** 4,921,959,823 **Divide by: Total Current Liabilities** 7,664,295,021 **Current Ratio** 0.64	**0.64x***	**1.39x**
Quick/Acid test ratio	**Total Current Assets** 4,921,959,823 **Less: Inventories** (1,490,438,659) **Prepayments and other Current Assets** (534,970,041) **Quick assets** 2,896,551,123 **Divide by: Total Current Liabilities** 7,664,295,021 **Quick/Acid test ratio** 0.38	**0.38x***	**0.76x**
Debt-to-equity ratio	**Total Liabilties** 11,651,712,872 **Divide by: Total Equity** 9,302,280,633 **Debt-to-equity ratio** 1.25	**1.25x**	**1.35x**
Gearing ratio	**Interest bearing liabilities** 6,049,060,215 **Divided by: Total Equity** 9,302,280,633 **Gearing ratio** 0.65	**0.65x**	**0.7x**
Net Gearing ratio	**Interest bearing liabilities** 6,049,060,215 **Minus: Cash** 1,167,134,283 **Net** 4,881,925,932 **Divide by: Total Equity** 9,302,280,633 **Net Gearing Ratio** 0.52	**0.52x**	**0.55x**
Asset-to-equity ratio	**Total Assets** 20,953,993,505 **Divide by: Total Equity** 9,302,280,633 **Asset-to-equity ratio** 2.25	**2.25x**	**2.35x**
Interest rate coverage ratio	**EBIT** 941,069,074 **Divide by: Interest Expenses** 494,343,320 **Interest rate coverage ratio** 1.90	**1.9x**	**4.07x**
Working capital turnover	**Net Sales** 16,049,646,251 **Divide by: Working capital** **Current Assets** 4,921,959,823 **Less: Current l** (7,664,295,021) **Working Capita** (2,742,335,198) **Working Capital Turnover** -5.85	**-5.85x***	**9.81x**
Solvency ratio	**Profit for the Year adjusted for Noncash Expenses divided by Average** **Profit for the Year** 4,999,168,825 **Adjustments:** **Tax Benefit from DTA** **Depreciation** 1,504,542,830 **Provision for inventory obsoles** 234,508,833 **Amortization of intangible ass** 21,515,840 **Impairment loss on investment in subsidiaries** - **Unrealized foreign exchange loss (gain) - net** (21,902,922) **Doubtful accounts expense** 7,691,090 **Reversal of accruals** 121,704,066 **Reversal of allowance for inventory obsolescence** - **Adjusted Profit for the Year** 6,867,228,562 **Divide by: Average Total Liabilities** **Current Year Total Liabilities** 19,554,798,369 **Prior Year Total Liabilities** 15,991,714,955 **Total** 35,546,513,324 **Divide by: 2 Years** 2 **Average Total Liabilities** 17,773,256,662 **Solvency ratio** 38.64%	**39.18%**	**39.18%**
Return on equity	**Net Income** 815,581,852 **Divide by: Total Equity** 9,302,280,633 **Return on equity** 8.77%	**8.77%** **Core ROE: 10.23%****	**13.48%**
Return on assets	**Net Income** 815,581,852 **Divide by: Total Assets** 20,953,993,505 **Return on assets** 3.89%	**3.89%** **Core ROA: 4.54%****	**5.74%**
Earnings per share	**Net Income** 815,581,852 **Average No. of shares** 1,683,760,178 **Earnings per share** 0.48	**0.48** **Core EPS: 0.57****	**0.71**

*Driven by the reclassification on a long-term loan as "current portion of long-term loans payable"; the Group is actively negotiating with the bank for the extension of the loan's repayment term beyond its current maturity date. Management anticipates the favorable resolution of these negotiations in 2026, which should result to the reclassification of the outstanding balance back to noncurrent liabilities.

**Based on core net income as computed by Management

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2025 and 2024

	Years Ended December 31	
	2025	2024
Total Audit Fees *(Section 2.1a)*	**₱4,850,000**	₱4,350,000
Non-audit services fees:		
Tax services	–	300,000
All other services	–	–
Total Non-audit fees *(Section 2.1b)*	–	300,000
Total Audit and Non-audit fees	**₱4,850,000**	₱4,650,000

Audit and Non-audit fees of other related entities *(Section 2.1c)*

	Years Ended December 31	
	2025	2024
Audit fees	**₱5,236,000**	₱2,560,000
Non-audit services fees	–	–
Total Audit and Non-audit fees	**₱5,236,000**	₱2,560,000

Outlook

[EXT] Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
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To Tax Section <taxsection@shakeys.biz>
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Hi SHAKEY'S PIZZA ASIA VENTURES INC,

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Transaction Code: **AFS-0-RP3WXXS09969GCEP3MSV1MP0QX2NWYTR**
Submission Date/Time: **Apr 15, 2026 08:34 PM**
Company TIN: **000-163-396**

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ANNEX D

PARENT FINANCIAL STATEMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR PARENT COMPANY FINANCIAL STATEMENTS

The management of Shakey's Pizza Asia Ventures, Inc. (the "Company") is responsible for the preparation and fair presentation of the parent company financial statements including the schedules attached therein, as at and for the years ended December 31, 2025 and 2024, in accordance with the Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the parent company financial statements in accordance with Philippine Standards of Auditing and its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Christopher T. Po
Chairman of the Board

Vicente L. Gregorio
President & Chief Executive Officer

Myrose April C. Victor
Chief Financial Officer

Signed this APR 14 2026 day of April, 2026

SHAKEY'S PIZZA ASIA VENTURES INC.
Km. 15 East Service Road corner Marian Road 2, San Martin De Porres, Parañaque City

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) s.s.

SUBSCRIBE AND SWORN to before me this APR 14 2026 affiant(s) exhibiting to me the Passport Numbers, as follows;

Name	Passport No.	Date Issue	Place of Issue
Christopher T. Po	P8631182A	Sept. 6, 2018	DFA Manila
Vicente L. Gregorio	P4438672B	Jan. 18, 2020	DFA NCR South
Myrose April C. Victor	P8919292B	Feb. 11, 2022	DFA Manila

Notary Public

Doc. No. 492
Page No. 100
Book No. VI
Series of 2026.

ATTY. BRENDA C. GARCIA
Notary Public City of Taguig
Until 31 December 2026
IBP O.R. No. INV584820/1-3-2026/Makati City
PTR No. A-6736209 on Nov. 27, 2025 at Taguig City
Appointment No. 125(2025-2026)
MCLE Compliance No. VIII-0009332 APRIL 14, 2028
BGC, Taguig City
Roll No. 39443

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	4	6	6	6

C O M P A N Y   N A M E

SHAKEY'S PIZZA ASIA VENTURES INC.

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

15Km East Service Road corner Marian Road 2, Barangay San Martin De Porres, Parañaque City 1700

Form Type	Department requiring the report	Secondary License Type, If Applicable
AIFS	CRMD	NA

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
shakeyspizza.ph	(02) 8839-0011	NA

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
40	May 3	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Myrose April C. Victor	mcvictor@shakeys.biz	(02) 839-0011	NA

CONTACT PERSON's ADDRESS

15Km East Service Road corner Marian Road 2, Barangay San Martin de Porres, Parañaque City 1700

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Shakey's Pizza Asia Ventures Inc.
15Km East Service Road corner Marian Road 2
Barangay San Martin de Porres, Parañaque City 1700

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Shakey's Pizza Asia Ventures Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 35 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Shakey’s Pizza Asia Ventures Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor’s report is Christine G. Vallejo.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 99857-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-105-2025, October 20, 2025, valid until October 19, 2028
PTR No. 10765144, January 2, 2026, Makati City

April 14, 2026

A member firm of Ernst & Young Global Limited

SHAKEY'S PIZZA ASIA VENTURES INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash (Notes 7 and 31)	**₱418,709,971**	₱500,997,118
Trade and other receivables (Notes 8 and 31)	**9,276,441,423**	6,404,344,106
Inventories (Note 9)	**355,913,418**	662,423,125
Prepaid expenses and other current assets (Note 10)	**284,039,077**	187,262,295
Total Current Assets	**10,335,103,889**	7,755,026,644
Noncurrent Assets		
Investment in subsidiaries (Note 11)	**6,651,815,125**	8,521,958,629
Property and equipment (Note 12)	**1,431,712,387**	1,242,303,003
Right-of-use assets (Note 14)	**1,246,924,631**	1,083,348,271
Intangible assets (Note 13)	**3,215,610,215**	1,228,846,739
Deferred tax assets - net (Note 29)	**635,713,330**	408,612,484
Deferred input value - added tax	**–**	1,336,297
Rental deposits and other noncurrent assets (Notes 15, 30 and 31)	**301,417,384**	230,379,185
Total Noncurrent Assets	**13,483,193,072**	12,716,784,608
TOTAL ASSETS	**₱23,818,296,961**	₱20,471,811,252
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans payable (Notes 16 and 30)	**₱1,220,000,000**	₱1,000,000,000
Accounts payable and other current liabilities (Notes 17 and 30)	**4,130,416,071**	3,284,356,511
Current portion of:		
Long-term loans payable (Notes 18, 30 and 31)	**3,549,060,215**	47,819,494
Lease liabilities (Note 14)	**253,816,303**	179,425,723
Contract liabilities (Note 21)	**1,567,064,758**	172,689,906
Total Current Liabilities	**10,720,357,347**	4,684,291,634
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term loans payable (Notes 17, 30 and 31)	**1,280,000,000**	5,144,751,497
Lease liabilities (Note 14)	**1,252,073,090**	1,141,486,046
Contract liabilities (Note 21)	**124,663,372**	113,111,851
Accrued pension costs (Note 26)	**183,685,724**	147,190,057
Dealer's deposits and other noncurrent liabilities (Note 30)	**95,078,362**	81,707,487
Total Noncurrent Liabilities	**2,935,500,548**	6,628,246,938
Total Liabilities	**13,655,857,895**	11,312,538,572
Equity		
Capital stock (Note 20)	**1,683,760,178**	1,683,760,178
Additional paid-in capital (Note 20)	**2,451,116,470**	2,451,116,470
Retained earnings (Note 20)	**5,973,774,692**	4,973,957,931
Other components of equity (Note 26)	**53,787,726**	50,438,101
Total Equity	**10,162,439,066**	9,159,272,680
TOTAL LIABILITIES AND EQUITY	**₱23,818,296,961**	₱20,471,811,252

See accompanying Notes to the Parent Company Financial Statements.

SHAKEY'S PIZZA ASIA VENTURES INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	2024
REVENUE FROM CONTRACTS WITH CUSTOMERS (Notes 17, 21 and 32)	**₱9,178,218,449**	₱8,424,298,483
COSTS OF SALES (Notes 17 and 22)	**(8,066,504,698)**	(7,409,132,466)
GROSS INCOME	**1,111,713,751**	1,055,166,017
GENERAL AND ADMINISTRATIVE EXPENSES (Note 23)	**(1,636,718,582)**	(1,515,955,444)
INTEREST EXPENSE (Note 27)	**(440,200,895)**	(366,225,645)
DIVIDEND INCOME (Note 20)	**2,069,123,407**	2,126,015,680
INTEREST INCOME (Note 7)	**5,034,008**	1,554,892
OTHER INCOME - Net (Note 28)	**50,689,231**	12,981,276
FOREIGN EXCHANGE GAIN-Net	**5,940,040**	(1,456,908)
INCOME BEFORE INCOME TAX	**1,165,580,960**	1,272,079,868
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)		
Current	**57,549,549**	20,263,447
Deferred	**(228,537,387)**	(235,068,596)
	(170,987,838)	(214,805,149)
NET INCOME	**1,336,568,798**	1,486,885,017
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax) -		
Actuarial gain on defined benefit obligation (Note 26)	**7,186,167**	4,689,666
Tax effect	**(1,796,542)**	(1,172,417)
Unrealized gain on changes of FV of financial assets at FVOCI (Note 15)	**(2,400,000)**	19,841,561
Tax effect	**360,000**	(2,976,234)
	3,349,625	20,382,576
TOTAL COMPREHENSIVE INCOME	**₱1,339,918,423**	₱1,507,267,593
Basic/Diluted Earnings Per Share (Note 33)	**₱0.79**	₱0.88

See accompanying Notes to the Parent Company Financial Statements.

SHAKEY'S PIZZA ASIA VENTURES INC.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Capital Stock (Note 20)	**Additional Paid-in Capital** (Note 20)	**Retained Earnings** (Note 20)	**Other Components of Equity** (Note 26)	**Total**
Balances at December 31, 2024	**₱1,683,760,178**	**₱2,451,116,470**	**₱4,973,957,931**	**₱50,438,101**	**₱9,159,272,680**
Total comprehensive income	–	–	**1,336,568,798**	**3,349,625**	**1,339,918,423**
Cash dividends (Note 20)	–	–	**(336,752,037)**	–	**(336,752,037)**
Balances at December 31, 2025	**₱1,683,760,178**	**₱2,451,116,470**	**₱5,973,774,692**	**₱53,787,726**	**₱10,162,439,066**
Balances at December 31, 2023	₱1,683,760,178	₱2,451,116,470	₱3,823,824,951	₱30,055,525	₱7,988,757,124
Issuance of new shares	–	–	–	–	–
Total comprehensive income	–	–	1,486,885,017	20,382,576	1,507,267,593
Cash dividends (Note 20)	–	–	(336,752,037)	–	(336,752,037)
Balances at December 31, 2024	₱1,683,760,178	₱2,451,116,470	₱4,973,957,931	₱50,438,101	₱9,159,272,680

See accompanying Notes to the Parent Company Financial Statements.

SHAKEY'S PIZZA ASIA VENTURES INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,165,580,960**	₱1,272,079,868
Adjustments for:		
Dividend income (Note 20)	**(2,069,123,407)**	(2,126,015,680)
Depreciation and amortization (Notes 14 and 25)	**655,596,041**	503,538,784
Interest expense (Note 27)	**440,200,895**	366,225,645
Movement in accrued pension costs	**43,681,834**	38,259,622
Loss (gain) on:		
Pre-termination of leases (Notes 14 and 28)	**(22,540,408)**	(9,210,623)
Disposal of property and equipment (Note 28)	**3,108,970**	6,565,486
Provision for (reversal) of legal and other contingencies– net	**(12,361,296)**	12,361,296
Unrealized foreign exchange loss (gain) – net	**(535,344)**	(848,737)
Interest income	**5,034,008**	1,554,892
Income before working capital changes	**208,642,253**	64,510,553
Decrease (increase) in:		
Trade and other receivables	**(902,973,160)**	628,373,011
Inventories	**306,509,707**	(531,280,480)
Prepaid expenses and other current assets	**(96,776,782)**	85,187,932
Increase (decrease) in:		
Accounts payable and other current liabilities	**846,059,560**	2,175,934,805
Contract liabilities (Notes 21)	**1,400,589,485**	(3,406,627)
Dealer's deposits and other noncurrent liabilities	**13,370,875**	(311,218,172)
Net cash generated from (used in) operations	**1,775,421,938**	2,108,101,022
Income taxes paid (including creditable withholding taxes)	**(57,588,514)**	40,347,744
Interest received	**2,100,494**	(1,554,892)
Dividend received	**99,999,250**	(797,775,321)
Net cash provided by operating activities	**1,819,933,168**	1,349,118,553
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
Property and equipment (Note 12)	**(493,691,822)**	(568,754,912)
Software (Note 13)	**(110,826,064)**	(14,553,589)
Franchise right (Note 13)	**(8,980,569)**	(7,726,152)
Additions to investment in subsidiaries (Note 11)	**(29,227,600)**	–
Proceeds from:		
Disposals of property and equipment	**12,560,089**	20,911,062
Decrease (increase):		
Deferred input value added tax	**1,336,297**	1,942,975
Payment of rental and other deposits and advances (Note 34)	**(65,704,686)**	(15,966,254)
Net cash provided used in investing activities	**(694,534,355)**	(584,146,870)

(Forward)

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES (Note 34)		
Proceeds from:		
Short-term loans (Note 16)	**₱–**	₱300,000,000
Payments of:		
Short-term loans	**(100,000,000)**	–
Interest	**(315,654,228)**	(249,347,964)
Lease liabilities (Note 14)	**(404,760,126)**	(291,359,488)
Long-term loans	**(51,054,913)**	(50,000,000)
Dividends (Note 20)	**(336,752,037)**	(336,752,037)
Net cash used in financing activities	**(1,208,221,304)**	(627,459,489)
NET INCREASE (DECREASE) IN CASH	**(82,822,491)**	137,512,194
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**535,344**	848,737
CASH AT BEGINNING OF YEAR	**500,997,118**	362,636,187
CASH AT END OF YEAR (Note 7)	**₱418,709,971**	₱500,997,118

See accompanying Notes to the Parent Company Financial Statements.

1. General Information

Corporate Information
Shakey's Pizza Asia Ventures Inc., doing business under the name and style of Shakey's (SPAVI or the Parent Company), was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 14, 1974. The Parent Company and its subsidiaries (collectively referred to as "the Group") are involved primarily in the development, operations and franchising of fast casual restaurants under the trade names "Shakey's", "Peri-Peri" and "Potato Corner".

On December 15, 2016, the common shares of the Parent Company were listed and traded in the Philippine Stock Exchange (PSE) under the trading name "PIZZA".

The registered office address of the Parent Company is 15Km East Service Road corner Marian Road 2, Barangay San Martin de Porres, Parañaque City 1700.

Approval and Authorization for the Issuance of the Parent Company Financial Statements
The parent company financial statements were approved and authorized for issuance by the Board of Directors (BOD) on April 14, 2026.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation
The parent company financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) which are carried at fair value. The parent company financial statements are presented in Philippine peso, which is the Parent Company's functional currency.

The Parent Company prepares and issues consolidated financial statements for the same period as the parent company financial statements in accordance with PFRS 10, *Consolidated Financial Statements.* The consolidated financial statements of the Parent Company are filed to the SEC and may be obtained from the Parent Company's registered office address.

Statement of Compliance
The parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

3. Changes in Accounting Policies and Disclosures

The Parent Company's accounting policies are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standard did not have an impact on the consolidated financial statements of the Parent Company.

- Amendments to PAS 21, *Lack of exchangeability*

Standards Issued but Not Yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant

impact on its parent company financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards -Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The Parent Company is currently assessing the impact of the new standard.

- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

4. Material Accounting and Financial Reporting Policies

Financial Instruments

Financial Assets

Financial assets at amortized cost. The Parent Company's cash, trade and other receivables and rental and other deposits included in "Rental deposits and other noncurrent assets" in the consolidated statement of financial position (see Notes 7, 8 and 15) are included in this category.

Financial assets at amortized cost are measured using the effective interest rate (EIR) method, net of any allowance for expected credit losses (ECL). The Parent Company recognizes ECLs using a forward-looking approach that reflects the probability-weighted outcome of expected credit losses, considering historical loss patterns, current conditions, and reasonable and supportable forecasts of future economic conditions.

For trade receivables, the Parent Company applies the simplified approach and recognizes lifetime ECLs for all balances. Trade receivables are generally assessed collectively based on shared credit risk characteristics, such as customer type and days past due, using a provision matrix.

Certain receivables, including those that are significant, long-outstanding, subject to disputes, credit-impaired, or relating to specific counterparties with distinct risk profiles, are assessed individually. In these cases, management applies judgment in estimating ECLs based on the counterparty's financial position, expected timing and amount of recoveries, and any available collateral or guarantees.

For other financial assets measured at amortized cost, ECLs are measured based on changes in credit risk since initial recognition. A financial asset is considered in default when contractual payments are more than 120 days past due or when other qualitative indicators suggest that full recovery is unlikely. Financial assets are written off when there is no reasonable expectation of recovery.

Financial assets designated at FVOCI. Upon initial recognition, the Parent Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Parent Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at FVOCI are not subject to impairment assessment.

The Parent Company's investment in club shares are classified as equity instruments designated at FVOCI.

Financial liabilities

The Parent Company's financial liabilities are classified as loans and borrowing and payables. This category includes short-term and long-term loans payable, accounts payable and other current liabilities, lease liabilities (see Notes 14, 16, 17 and 18), and dealers' deposits and other noncurrent liabilities. These are recognized initially at fair value, net of directly attributable transaction costs, and subsequently measured at amortized cost. A financial liability is derecognized when the obligation under the liability is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Parent Company's profit or loss.

Debt Issue Costs

Debt issue costs are deducted against long-term debt and are amortized over the terms of the related borrowings using the effective interest method.

Prepayment Option

If the Parent Company revises its estimates of payments or receipts, the Parent Company shall adjust the carrying amount of the financial asset or financial liability (or group of financial instruments) to reflect actual and revised estimated cash flows. The entity recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate or, when applicable, the revised effective interest rate calculated. The adjustment is recognized in the statement of comprehensive income.

Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using the moving average method. Net realizable value is the estimated selling price less estimated costs necessary to make the sale.

Investment in Subsidiaries

Investment in subsidiaries is accounted under the cost method.

Property and Equipment

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, amortization and any impairment in value.

Depreciation and amortization commence once the assets are available for use. Depreciation and amortization are computed using the straight-line basis over the following estimated useful lives of the property and equipment:

Category	Number of year(s)
Building	15-20
Leasehold improvements	2 - 10
Furniture, fixtures and equipment	2-10
Transportation equipment	5-7
Maintenance tools	3-10
Glasswares and utensils	2

The useful lives and depreciation and amortization method are reviewed at each reporting date, and adjusted prospectively, if appropriate.

Construction in progress is stated at cost. This includes cost of construction and other direct costs related to the asset being constructed. Construction in progress is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for use. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Intangible Assets

The cost of intangible assets acquired in a business combination such as trademarks is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses.

Intangible assets with finite lives such as software and franchise right are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Amortization commences once the assets are available for use. Amortization are computed using the straight-line basis over the following estimated useful lives of the intangible assets with finite life:

Category	Number of year(s)
Software	10-15
Franchise right	7

Intangible assets with indefinite useful lives, such as trademarks, are tested for impairment annually or more frequently if an indication of impairment exists either individually or at the CGU level. Such intangibles are not amortized. Trademarks are assessed to have indefinite useful life because it has no expiry as to usage. Intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income.

Impairment of Nonfinancial Assets
The Parent Company's property, plant and equipment, right-of-use assets, intangible assets with definite useful lives and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill and trademarks with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Dealers' Deposits
Dealers' deposits, included as part of "Dealer's deposits and other noncurrent liabilities" account in the parent company statement of financial position, are initially recognized at fair value. The discount is recognized as deferred credits and amortized over the estimated remaining term of the deposits using the effective interest method.

Revenue from Contracts with Customers
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services. The Parent Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Parent Company has concluded that it is acting as principal in majority of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Restaurant Sales. Revenue from restaurant sales is recognized point in time when the related orders are served.

Sale of Goods. Revenue from merchandise sales consists of revenue from sale of goods and equipment. Transaction price of merchandise sales, which excludes discounts, returns, rebates and sales taxes, is normally received and recorded point in time.

Franchise Revenue. Initial franchise fee is recognized on a straight-line basis over the term of the franchise agreement, which ranges from 5 to 10 years. The transaction price for franchise agreement is discounted, using the rate that would be reflected in a separate financing transaction between the Parent Company and its customers at contract inception, to take into consideration the significant financing component. In instances where a significant financing component has been identified from its contracts with customers, this is recognized as interest expense in the parent company statement of comprehensive income.

Other franchise revenues consisting of royalty fees and various reimbursements from franchisees are recognized when earned. It also consists of reimbursements of system-wide advertising and promoting costs from franchisees which are recognized upon performance of service.

Interest Income. Revenue is recognized as the interest accrues, using the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Contract Balances

Contract Assets. A contract asset is a conditional right to consideration in exchange for goods or services transferred to the customer. If the Parent Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The Parent Company has no contract assets as at December 31, 2025 and 2024.

Trade Receivables. A receivable represents the Parent Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Parent Company has received consideration (or an amount of consideration) from the customer. If a customer pays consideration before the Parent Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier).

Contract liabilities are recognized as revenue when the Parent Company performs its obligation under the contract. Further, the Parent Company has a loyalty points program which allows customers to accumulate points that can be applied to customer purchases depending on the actual usage within the next financial year. The liability is recognized when the customer avails the Parent Company's services using the loyalty card. Loyalty points are recognized as revenue upon actual usage or expiration whichever comes first.

Cost and Expenses Recognition

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs of sales and general and administrative expenses are recognized in net income in the parent company statement of comprehensive income in the period these are incurred.

Leases

The Parent Company assesses at contract inception whether a contract is, or contains a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, *Right-of-use assets.* The Parent Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Parent Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of nonfinancial assets.

Lease liabilities. At the commencement date of the lease, the Parent Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets. The Parent Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessee shall account for a lease modification as a separate lease if both:
- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall:

- Allocate the consideration in the modified contract;
- Determine the lease term of the modified lease; and
- Remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, of the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined. The lessee shall account for the remeasurement of the lease liability by:

    - Decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to partial or full termination of the lease.
    - Making corresponding adjustment to the right-of-use asset for all other lease modifications.

Pension Costs
The Parent Company has a funded, noncontributory defined benefit retirement plan covering substantially all its qualified employees. The plan requires contributions to be made to a parent company administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Defined benefit plan. The Parent Company classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Retirement benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

Service costs which include current service costs, past service costs, and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset.

Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit obligation) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at reporting date.

Foreign Currency-denominated Transactions

Foreign currency-denominated transactions are recorded in Philippine peso using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate at reporting date. Exchange rate differences arising on the settlement and restatement of monetary items at rates different from those at which they were initially recorded are recognized in net income in the parent company statement of comprehensive income in the year such differences arise. Nonmonetary items denominated in foreign currencies are measured on a historical cost basis and translated using the exchange rate at the date of transaction.

Income Tax

Current Tax. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Income Tax

Current Tax. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. The Parent Company’s current tax expense is calculated using 25% regular corporate income tax (RCIT) rate in 2025 and 2024 or 2% minimum corporate income tax (MCIT) rate in 2025and 2024, ,whichever is higher.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the financial reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of taxable temporary differences associate with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused excess of minimum corporate income tax (“MCIT”) over regular corporate income tax (“RCIT”) and unused net operating loss carry-over (“NOLCO”) to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits and unused tax losses can be utilized except: (1) when the deferred income tax asset relating to deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at financial reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statement of financial position.

Deferred Input VAT

Deferred input VAT pertains to input VAT on accumulated purchases of property, plant and equipment for each month amounting to ₱1.00 million or more. This is amortized over five (5) years or the life of the property, plant and equipment, whichever is shorter, in accordance with the Bureau of Internal Revenue (BIR) regulation.

Segment Reporting

The Parent Company’s operating businesses are organized and managed separately according to the nature of the products and services provided, with representing a strategic business unit that offers different products. Financial information on business segments is presented in Note 6 to the parent company financial statements.

Provisions

Provisions arising from present obligation are recognized in profit or loss when the timing and amount of settlement can be reliably measured.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the parent company financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying the Parent Company's accounting policies, management has made judgments which have significant effect on the amounts recognized in the parent company financial statements and accompanying notes. The judgments are based upon management's evaluation of relevant facts and circumstances as at the date of the parent company financial statements.

Right to Access - Performance Obligation Satisfied Over Time. The Parent Company determines whether it provides a dealer/franchisee with either:

- a right to access the Parent Company's intellectual property through a "Trademark Licensing and Franchise Agreement" throughout the term of the franchise agreement for which revenue is recognized over the term of the franchise agreement, or
- a right to use the Parent Company's intellectual property "Trademark Licensing and Franchise Agreement" as it exists at the point in time the franchise license is granted for which revenue is recognized at the point in time the franchisee can first use and benefit from the franchise license.

In assessing whether the nature of the Parent Company's promise in granting a "Trademark Licensing and Franchise Agreement" is to provide a right to access the Parent Company's intellectual property (i.e., franchise license), the Parent Company considers whether all of the following criteria are met:

- the franchise agreement requires, or the franchisee reasonably expects that the Parent Company will undertake activities that will significantly affect the franchise license to which the franchisee has rights (e.g., advertisements, promotions, campaigns, etc.);
- the rights granted by the franchise license directly expose the franchisee to any positive or negative effects of the Parent Company's activities;
- those activities do not result in the transfer of a good or service to the franchisee as those activities occur.

The Parent Company determined that it has met all of the criteria mentioned above and concluded that it provides its franchisees with a right to access the Parent Company's franchise license throughout the term of the franchise agreement. Accordingly, revenue from granting franchise license is recognized over the term of the franchise agreement.

Principal versus Agent Consideration. The Parent Company's agreement with the franchisee includes the right to charge the franchisee its share in the Parent Company's system-wide advertising and promoting efforts as well as fees for the Parent Company's administration of various advertisements, network and media placements. The Parent Company determined that it is acting as principal for the system-wide advertising because it is the Parent Company who retains the right to direct the service provider of the advertisements, network and media placements, and has the discretion on how to price the advertising and promoting fee charges. The Parent Company considers both the legal form and the substance of its agreement to determine each party's respective roles in the agreement.

Determination of lease term of contracts with renewal and termination options - Company as a lessee. The Parent Company has several lease contracts that include extension and termination options. The Parent Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Parent Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The carrying values of the Parent Company's right-of-use assets and lease liabilities are disclosed in Note 14.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Parent Company based its assumptions and estimates on parameters available when the parent company financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Parent Company. Such changes are reflected in the assumptions when they occur.

Recoverability Intangible Assets with Indefinite Life. The Parent Company performs recoverability testing annually or more frequently when there are indications of impairment for trademarks with indefinite lives. Recoverability testing requires an estimation of the value in use or fair value less cost of disposal of the CGU to which trademarks with indefinite life is allocated. Estimating the recoverable amount of the CGU involves significant assumptions about the future results of the business such as revenue growth rate, operating expenses, gross margin, operating margin, capital expenditures, discount rate and long-term revenue growth rate which were applied to cash flow forecasts. In addition, the assumptions are also subjected to a higher level of estimation uncertainty. The cash flow forecasts were based on financial budgets approved by the senior management covering a five-year period.

The impairment on trademark is determined by comparing: (a) the carrying amount of the cash-generating unit; and (b) the fair value less cost of disposal computed through the present value of the annual projected cash flows for five years and the present value of the terminal value computed under the discounted cash flow method.

The key assumptions used in the impairment test of trademarks with indefinite life are as follows:

a. Gross Revenue

   On the average, gross revenue of the CGU over the next five years were projected to grow in line with the economy or with nominal Gross Domestic Product. This assumes that the market share of the subsidiaries in their respective industries will be flat on the assumption that the industries also grow at par with the economy. Historically, the business growth had a direct correlation with economic growth. A 2.0% perpetuity growth rate was assumed at the end of the five-year forecast period for Potato Corner while a 3% perpetuity growth rate was used for Peri-Peri.

b. Operating Expenses

On the average, operating expenses were projected to increase in relation to revenue growth.

c. Gross Margins

Increased efficiencies over the next five years are expected to result in margin improvements.

d. Discount Rate

The discount rate used to arrive at the present value of future cash flows was the Parent Company's Weighted Average Cost of Capital (WACC). WACC was based on the appropriate weights of debt and equity, which were multiplied with the assumed costs of debt and equity. The pre-tax discount rates applied to the cash flow projections ranges from 9.8% to 13.3% in 2025 and 11.0% to 14.0% 2024.

The significant unobservable inputs used in the computation of fair value less cost to sell for goodwill and trademarks of Peri-Peri, together with a quantitative sensitivity analysis as at December 31, 2025 are shown below:

	Valuation technique	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity to FVLCTS**
Fair value less cost to sell (FVLCTS) of the CGU of the Peri-Peri business	Discounted cashflow method	Discount rate	9.3% to10.3% (9.8%)	0.5% increase (decrease) in the discount rate would result in a decrease (increase) in FVLCTS by ₱145.9 million and (₱166.5 million), respectively.
		Long-term growth rate for cash flows for subsequent years	3%	1% increase (decrease) in the long -term growth rate would result in an increase (decrease) in FVLCTS by ₱220.06 million and (₱284.70 million), respectively..
		Gross revenue	+1% 2,451m -1% 2,403m	1% increase (decrease) in gross revenue would result in an (increase) decrease in the FVLCTS of approximately (₱96.42 million) and ₱201.58 million, respectively.
		Operating expenses	+1% 1263m -1% 1238m	1% increase (decrease) in operating expenses would result in a decrease (increase) in the FVLCTS of approximately ₱55.99 million and (₱248.83 million), respectively.
		Gross margins	+1% 1,173m -1% 1,149m	1% increase (decrease) in gross margin would result in a (increase) decrease in the FVLCTS of approximately (₱650.23 million) and ₱174.52 million, respectively.

The carrying amount of trademark with indefinite life as of December 31, 2025 and 2024 is disclosed in Note 13.

The recoverable amount of the CGUs to which the trademarks with indefinite lives are allocated is greater than its carrying amount. No impairment loss was recognized on trademark with indefinite life for the years ended December 31, 2025 and 2024.

Leases - Estimating the incremental borrowing rate. The Parent Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Parent Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Parent Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Parent Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The carrying value of the Parent Company’s lease liabilities are disclosed in Note 14.

Impairment of Trade and Other Receivables and Rental and Other Deposits
The Parent Company uses a provision matrix to calculate ECLs for its trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating).

The provision matrix is initially based on the Parent Company's historical observed default rates. The Parent Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forward-looking information, and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying values of the Parent Company’s trade, allowance for ECL, provision for ECL and reversal of ECL are disclosed in Note 8.

For other receivables and rental and other deposits, the Group applies the general approach, recognizing either 12-month or lifetime ECLs depending on whether there has been a significant increase in credit risk since initial recognition. Changes in the loss allowance are recognized in profit or loss.

The carrying value of other receivables, rental deposits and other noncurrent assets as at December 31, 2025 and 2024 are disclosed in Note 15.

Recoverability of Deferred Tax Assets. The Parent Company performs an annual evaluation of the realizability of deferred tax assets in determining the portion of deferred tax assets which should be recognized. The Parent Company’s assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following period. This forecast is based on the Parent Company’s past results and future expectations on revenue and expenses.

Deferred tax assets recognized as at December 31, 2025 and 2024 are disclosed in Note 29.

Evaluation of Net Realizable Value of Inventories. The Parent Company writes down the cost of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in prices level. The lower of cost and net realizable value of inventories is reviewed at each reporting date. Inventory items identified to be obsolete and unusable are also written off and charged as expense in net income in the parent company statement of comprehensive income.

The carrying values of the Parent Company's inventories is disclosed in Note 9.

Determination of Impairment of Nonfinancial Assets. Impairment review is performed when certain impairment indicators are present.

Determining the value in use of property and equipment, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Parent Company to make estimates and assumptions that can materially affect the parent company financial statements.

Based on the assessment of management, the Parent Company's property and equipment, right-of-use assets, software and franchise right do not have any indication of impairment as at December 31, 2025 and 2025. No impairment loss was recognized for the years ended December 31, 2025 and 2024.

The carrying value of nonfinancial assets which consists of property and equipment is disclosed in Note 12, software and franchise rights in Note 13 and right-of-use assets in Note 14.

Determination of Pension Costs. The cost of defined benefit pension plans and present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Accrued pension cost as at December 31, 2025 and 2024 are disclosed in Note 26.

The discount rate is derived by discounting all expected benefit payments using interest rates of government bonds that correspond to the timing of benefit payments, after which, a single discount rate is computed considering the aggregate amount of all discounted values.

The mortality rate is based on publicly available mortality tables in the Philippines and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates in the Philippines.

Further details about the assumptions used are provided in Note 26.

Determination of Fair Value of Financial Instruments. Where the fair value of financial assets and liabilities recorded in the parent company statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of financial assets and financial liabilities are disclosed in Note 31.

6. Segment Information

For management purposes, the Parent Company is organized into two business activities - Restaurant sales, and franchise and royalty fees. This segmentation is the basis upon which the Company reports its primary segment information.

- Restaurant sales comprise revenues from restaurant activities and sale of merchandise and equipment to franchisees.
- Franchise and royalty fees represent payment of sub-dealers for the use of the Shakey's, Peri-Peri's and "Potato Corner" brands.

The Parent Company's chief operating decision maker monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit and loss in the parent company financial statements.

The Parent Company's performance is evaluated based on net income for the year, EBITDA and EBITDA margin. EBITDA margin pertains to EBITDA divided by gross revenues.

EBITDA and EBITDA margin are non-PFRS measures.

The following table shows the reconciliation of the EBITDA to net income:

	Years Ended December 31	
	2025	2024
EBITDA	**₱2,256,343,888**	₱2,140,289,405
Depreciation and amortization (Note 25)	**(655,596,041)**	(503,538,784)
Interest expense (Note 27)	**(440,200,895)**	(366,225,645)
Benefit from (provision for) income tax (Note 29)	**170,987,838**	214,805,149
Interest income	**5,034,008**	1,554,892
Net income	**₱1,336,568,798**	₱1,486,885,017

Business Segment Data

The following tables present revenue and income information and certain assets and liabilities information regarding business segments for each of the years ended December 31:

	Restaurant Sales		Franchise and Royalty Fee		Total	
	2025	2024	**2025**	2024	**2025**	2024
Revenue	**₱8,353,215,975**	₱7,558,717,972	**₱825,002,474**	₱865,580,511	**₱9,178,218,449**	₱8,424,298,483
Net income	**723,789,500**	₱841,212,306	**612,779,298**	₱645,672,711	**1,336,568,798**	₱1,486,885,017
Provision for income tax	**(377,238,457)**	(431,200,277)	**206,250,619**	216,395,128	**(170,987,838)**	(214,805,149)
Interest expense	**434,228,338**	362,712,972	**5,972,557**	3,512,673	**440,200,895**	366,225,645
Interest income	**(5,034,008)**	(1,554,892)	**–**	–	**(5,034,008)**	(1,554,892)
Depreciation and amortization	**655,596,041**	503,538,784	**–**	–	**655,596,041**	503,538,784
EBITDA	**₱1,431,341,414**	₱1,274,708,893	**₱825,002,474**	₱865,580,512	**₱2,256,343,888**	₱2,140,289,405
EBITDA Margin					**24.58%**	25.41%
Assets and Liabilities						
Operating assets	**₱16,530,768,506**	₱11,541,240,139	**₱–**	₱–	**₱16,530,768,506**	₱11,541,240,139
Investment in subsidiaries	**6,651,815,125**	8,521,958,629	**–**	–	**6,651,815,125**	8,521,958,629
Deferred tax assets	**635,713,330**	408,612,484	**–**	–	**635,713,330**	408,612,484
Total assets	**₱23,818,296,961**	₱20,471,811,252	**₱–**	₱–	**₱23,818,296,961**	₱20,471,811,252
Operating liabilities	**₱7,606,797,680**	₱5,119,967,581	**₱–**	₱–	**₱7,606,797,680**	₱5,119,967,581
Interest-bearing loans and borrowings	**6,049,060,215**	6,192,570,991	**–**	–	**6,049,060,215**	6,192,570,991
Total liabilities	**₱13,655,857,895**	₱11,312,538,572	**₱–**	₱–	**₱13,655,857,895**	₱11,312,538,572

7. Cash

	2025	2024
Cash on hand	**₱43,661,516**	₱69,488,374
Cash in banks	**375,048,455**	431,508,745
	₱418,709,971	₱500,997,118

Cash in banks earn interest at the respective bank deposit rates. Interest income on cash in banks amounted to ₱5.0 million and ₱1.6 million in 2025 and 2024, respectively.

8. Trade and Other Receivables

	2025	2024
Trade:		
Third parties	**₱427,470,100**	₱834,944,784
Related parties (see Note 19)	**3,736,816,767**	2,438,682,729
Royalty receivable (see Note 32)	**84,532,635**	79,199,179
Non-Trade:		
Receivable from franchisees	**119,539,022**	115,031,725
Receivables from employees	**27,738,482**	22,061,856
Dividend receivable (see Note 19)	**4,892,915,157**	2,923,791,001
	9,289,012,163	6,413,711,274
Less allowance for ECL	**12,570,740**	9,367,168
	₱9,276,441,423	₱6,404,344,106

Below are the terms and conditions of the above assets:

- Trade receivables are non-interest bearing and are normally collectible within 10 to 30 days.
- Receivables from third parties comprise amounts due from customers arising from store sales, credit card and online payment merchants, and food aggregator partners, as well as receivables from cooperatives and amounts due for freight charges and other trade-related transactions. These receivables are non-interest bearing and are generally collectible within 30 to 45 days from transaction date.
- Royalty receivable is being collected from dealers on the 20th day of the following month.
- Receivable from franchisees pertains to receivables for transactions other than sale of goods such as management fees, freight and gas expenses, are non-interest bearing and generally have 30 to 45 days' term.
- Receivables from employees, which represent mainly salary loan, are interest-free and are being collected through salary deduction for a period ranging from 6 months to 1 year.
- For terms and conditions of related party receivables, refer to Note 19.

The movements of allowance for ECL are as follows::

	2025			2024		
	Trade and Others	**Receivables from Employees**	**Total**	Trade and Others	Receivables from Employees	Total
Balance at beginning of year	**₱7,449,407**	**₱1,917,761**	**₱9,367,168**	₱3,570,705	₱1,917,761	₱5,488,466
Provision (see Note 23)	**4,486,314**	**–**	**4,486,314**	5,972,921	–	5,972,921
Write-off	**(1,282,742)**	**–**	**(1,282,742)**	(2,094,219)	–	(2,094,219)
Balance at year-end	**₱10,652,979**	**₱1,917,761**	**₱12,570,740**	₱7,449,407	₱1,917,761	₱9,367,168

9. Inventories

Merchandise inventories at NRV amounted to ₱355.9 million and ₱662.4 million as at December 31, 2025 and 2024, respectively, while the cost of merchandise amounted to ₱360.7 million and ₱667.2 million and as at December 31, 2025 and 2024, respectively.

The cost of merchandise inventories charged to cost of sales in the parent company's statement of comprehensive income amounted to ₱4,865.5 million and ₱4,494.7 million in 2025 and 2024, respectively (see Note 22).

Allowance for inventory obsolescence amounted to ₱4.8 million for the years ended December 31, 2025 and 2024.

There is no provision for inventory obsolescence in 2025 and 2024.

10. Prepaid Expenses and Other Current Assets

	2025	2024
Prepaid expenses	**₱134,782,834**	₱76,538,827
Advances to suppliers	**75,498,351**	67,768,661
Prepaid taxes	**73,757,892**	42,954,807
	₱284,039,077	₱187,262,295

Prepaid expenses pertain to advance payments for insurance and dues and subscription and are amortized monthly over a period of one year.

Advances to suppliers pertain to advance payments for the purchase of raw materials inventories which are generally applied against future billings within the next year.

Prepaid taxes include creditable withholding taxes withheld by the Parent Company's customers.

11. **Investment in Subsidiaries**

The following are the Parent Company’s investment in shares of stocks carried at cost:

Company	Place of Incorporation	Principal Activities	Functional Currency	Effective interest		Amount	
				2025	2024	**2025**	2024
SIL	Hong Kong	Holding company for trademark rights of Shakey’s in the Middle East, Asia (except Japan and Malaysia), Australia and Oceania.	Hong Kong Dollar (HKD)	**100%**	100%	**₱3,500,000,000**	₱3,500,000,000
BMI	Philippines	Manufacturing and distribution of bread, pastries and other confectionery products	Philippine Peso (PHP)	**100%**	100%	**1,397,535,450**	1,397,535,450
SSI	Philippines	Holding company for trademark and other intellectual property rights of Shakey’s in the Philippines	PHP	**100%**	100%	**1,285,500,000**	1,285,500,000
SPCI	Philippines	Buying, selling, distributing and marketing, at wholesale or retail of goods, commodities and merchandise	PHP	**100%**	100%	**24,999,995**	24,999,995
SPRFL	Hong Kong	Holding company for sublicense of Shakey’s brand in the Middle East.	HKD	**100%**	100%	**8**	8
WBHI	Philippines	Restaurant company of Peri-Peri Charcoal & Sauce Bar and franchising and operation of Potato Corner branches in the Philippines	PHP	**100%**	100%	**249,999,995**	249,999,995
PCIL	Singapore	Franchising and operation of Potato Corner branches in Singapore.	SGD	**100%**	100%	**164,552,077**	164,552,077
SIUI	USA	Holding company for trademarks rights of Potato Corner in the USA	US Dollar	**100%**	100%	**29,227,600**	–
QIL	British Virgin Islands	Holding company for trademarks rights of Potato Corner	US Dollar	**100%**	100%	**–**	1,899,371,104
						₱6,651,815,125	₱8,521,958,629

QIL was officially dissolved and liquidated in accordance with applicable BVI law. In relation QIL’s liquidation, the investment in subsidiary was derecognized in the Parent Company’s financial statements (see Note 13).

In 2025, the Parent Company made a capital infusion to SIUI to fund its initial operating requirements. As of December 31, 2025, SIUI has not yet commenced full commercial operations.

12. Property and Equipment

	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Machinery and Equipment	Glassware and Utensils	Building	Total
Cost							
Balance at December 31, 2023	₱1,308,069,643	₱1,323,533,006	₱41,319,884	₱52,534,183	₱21,045,433	₱245,501,939	₱2,992,004,088
Additions	307,613,716	206,631,848	18,430,678	28,214,447	7,864,223	–	568,754,912
Disposals	(67,319,600)	(61,237,118)	–	(4,157,082)	(886,654)	(2,616,785)	(136,217,239)
Balance at December 31, 2024	**1,548,363,759**	**1,468,927,736**	**59,750,562**	**76,591,548**	**28,023,002**	**242,885,154**	**3,424,541,761**
Additions	**241,908,565**	**204,578,679**	**13,785,273**	**21,309,705**	**12,099,439**	**10,161**	**493,691,822**
Disposals	**(25,511,595)**	**(24,073,794)**	**(4,155,357)**	**(1,182,023)**	**(7,050)**	**(15,901,485)**	**(70,831,304)**
Balance at December 31, 2025	**₱1,764,760,729**	**₱1,649,432,621**	**₱69,380,478**	**₱96,719,230**	**₱40,115,391**	**₱226,993,830**	**₱3,847,402,279**
Accumulated Depreciation							
Balance at December 31, 2023	₱902,063,435	₱965,697,778	₱23,744,002	₱44,029,022	₱20,172,892	₱88,940,791	₱2,044,647,920
Depreciation	91,410,573	101,575,497	4,858,490	22,462,414	3,572,205	22,452,350	246,331,529
Disposals	(58,736,675)	(41,526,824)	–	(3,517,491)	(726,651)	(4,233,050)	(108,740,691)
Balance at December 31, 2024	**934,737,333**	**1,025,746,451**	**28,602,492**	**62,973,945**	**23,018,446**	**107,160,091**	**2,182,238,758**
Depreciation	**109,226,665**	**124,664,378**	**8,687,175**	**22,159,298**	**10,038,532**	**13,837,330**	**288,613,378**
Disposals	**(20,416,167)**	**(21,361,162)**	**(3,262,384)**	**(1,160,102)**	**(7,047)**	**(8,955,382)**	**(55,162,244)**
Balance at December 31, 2025	**₱1,023,547,831**	**₱1,129,049,667**	**₱34,027,283**	**₱83,973,141**	**₱33,049,931**	**₱112,042,039**	**₱2,415,689,892**
Net Book Value							
Balance at December 31, 2024	₱613,626,426	₱443,181,285	₱31,148,070	₱13,617,603	₱5,004,556	₱135,725,063	₱1,242,303,003
Balance at December 31, 2025	**₱741,212,898**	**₱520,382,954**	**₱35,353,195**	**₱12,746,089**	**₱7,065,460**	**₱114,951,791**	**₱1,431,712,387**

There are no idle assets as at December 31, 2025 and 2024. The Parent Company has no property and equipment that are used as collateral for existing loans payable.

Net book value of property and equipment transferred to franchisees as part of the franchising agreement amounted to ₱10.6 million in 2025 and ₱13.4 million in 2024.

13. **Intangible Assets**

	2025	2024
Trademarks	**₱2,867,811,842**	₱968,440,738
Software	**318,295,555**	238,762,437
Franchise right	**29,502,818**	21,643,564
	₱3,215,610,215	₱1,228,846,739

Trademarks
Trademarks are attributable to the following as at December 31:

	2025	2024
Potato Corner	**₱2,304,371,104**	₱405,000,00
Peri-Peri	**563,440,738**	563,440,738
	₱2,867,811,842	₱968,440,738

As at December 31, 2025 and 2024, the intangible assets of the Parent Company with an indefinite useful life relate to trademarks which were acquired through purchases and business combinations in prior years.

QIL was officially dissolved and liquidated in accordance with applicable BVI law. Prior to its dissolution, QIL held the Potato Corner registered trademark of the Parent Company. In connection with the liquidation, the trademark was transferred to the Parent Company. The trademark has been recognized in the Parent Company's books as an intangible asset at its carrying amount of ₱1,899.4 million as of the date of transfer.

Software and Franchise Rights
The details of the Parent Company's intangible assets with finite life are as follows:

	Software	Franchise Right
Cost		
At December 31, 2023	₱336,357,305	₱19,698,070
Additions	14,553,589	5,614,294
Balance at December 31, 2024	350,910,894	25,312,364
Additions/Reclassification	**110,826,064**	**8,980,569**
Balance at December 31, 2025	**461,736,958**	**34,292,933**
Accumulated Amortization		
At December 31, 2023	88,445,728	2,545,518
Amortization (see Note 25)	**23,702,729**	**1,123,282**
At December 31, 2024	**112,148,457**	**3,668,800**
Amortization (see Note 25)	**31,292,946**	**1,121,316**
Balance at December 31, 2025	**143,441,403**	**4,790,116**
Net Book Value		
Balance at December 31, 2024	₱238,762,437	₱21,643,564
Balance at December 31, 2025	**₱318,295,555**	**₱29,502,817**

The average remaining useful lives of software and franchise is 8 years and 2 years, respectively, as of December 31, 2025.

14. Right-of-Use Assets and Lease Liabilities

Parent Company as a lessee

The Parent Company has lease contracts for land for the use of its office spaces and stores . Leases of co-owned stores usually has terms of 3 to 25 years. The Parent Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Parent Company also has certain leases of stores with lease terms of 12 months or less and leases of office equipment with low value. The Parent Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rollforward analysis of this account is as follows:

	2025	2024
Cost		
Balance at beginning of year	**₱2,044,360,995**	₱1,876,946,098
Additions	**527,094,235**	426,920,844
Pre-termination	**(212,106,457)**	(259,505,947)
Balance at end of year	**2,359,348,773**	2,044,360,995
Accumulated Amortization		
Balance at beginning of year	**961,012,724**	966,195,261
Amortization (see Note 25)	**334,568,401**	232,381,244
Pre-termination	**(183,156,983)**	(237,563,781)
Balance at end of year	**1,112,424,142**	961,012,724
Net Book Value	**₱1,246,924,631**	₱1,083,348,271

The rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	**₱1,320,911,769**	₱1,137,188,068
Additions	**522,653,522**	426,920,845
Interest expense (see Note 27)	**118,574,110**	79,315,134
Payments	**(404,760,126)**	(291,359,488)
Pre-termination	**(51,489,882)**	(31,152,790)
Balance at end of year	**1,505,889,393**	1,320,911,769
Less current portion of lease liabilities	**(253,816,303)**	(179,425,723)
Lease liabilities - net of current portion	**₱1,252,073,090**	₱1,141,486,046

The Parent Company has lease contracts for company-owned stores that contains variable payments based on the gross sales. The following provides information on the Parent Company's variable lease payments, including the magnitude in relation to fixed payments:

	As at December 31, 2025		
	Fixed Payments	**Variable Payments**	**Total**
Fixed	**₱230,748,497**	**₱-**	**₱230,748,497**
Variable rent with minimum payment	**188,298,500**	**79,819,952**	**268,118,452**
Variable rent only	**-**	**11,273,377**	**11,273,377**
	₱419,046,997	**₱91,093,329**	**₱510,140,326**

	As at December 31, 2024		
	Fixed Payments	Variable Payments	Total
Fixed	₱204,569,551	₱-	₱204,569,551
Variable rent with minimum payment	175,489,577	87,544,898	263,034,475
Variable rent only	-	7,333,957	7,333,957
	₱380,059,128	₱94,878,855	₱474,937,983

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024
1 year	**₱356,571,141**	₱342,640,195
more than 1 years to 2 years	**307,918,700**	311,755,997
more than 2 years to 3 years	**274,651,343**	274,499,291
more than 3 years to 4 years	**225,298,178**	248,456,131
more than 5 years	**1,015,883,162**	872,322,037
	₱2,180,322,524	₱2,049,673,651

Rent expense on variable rents, short-term leases and leases of low-value assets amounted to ₱125.1 million in 2025 and ₱203.8 million in 2024 (see Note 22).

15. **Rental Deposits and Other Noncurrent Assets**

	2025	2024
Rental and other deposits	**₱217,736,610**	₱193,595,315
Advances	**63,378,067**	14,081,163
Financial assets at FVOCI	**23,600,000**	26,000,000
	304,714,677	233,676,478
Less: Allowance for unrecoverable rental deposits and other noncurrent assets	**(3,297,293)**	(3,297,293)
	₱301,417,384	₱230,379,185

The Parent Company's rental and other deposits are refundable at the end of the lease term which range from 3 years to 15 years. The excess of the principal amount of the deposit over its fair value is accounted for as right-of-use asset and amortized over the lease term on a straight-line basis while interest on the deposit is accounted for using the effective interest rate method.

The accretion income from rental deposits amounted to ₱2.9 million and nil in 2025 and 2024, respectively (see Note 28).

Advances represent costs incurred by the Parent Company that will form part of the acquisition cost for purchase of a noncurrent asset.

As at December 31, 2025, the Parent Company's financial assets at FVOCI pertain to investments in golf club shares. The movement of financial assets at FVOCI in 2025 and 2024 follows:

	2025	2024
Balance at beginning of year	**₱26,000,000**	₱6,158,439
Increase (decrease) in fair value	**(2,400,000)**	19,841,561
Balance at end of year	**₱23,600,000**	₱26,000,000

The changes in the fair value of these investments are recognized under "Unrealized gain on fair value changes of financial assets at FVOCI" in the parent company's statements of comprehensive income and shown as part of "Other components of equity" in the parent company's statements of financial position.

16. Short-term Loans Payable

	2025	2024
Balance at beginning of year	**₱1,000,000,000**	₱700,000,000
Additions	–	300,000,000
Reclassifications (see Note 18)	**320,000,000**	
Payments	**(100,000,000)**	–
Balance at end of year	**₱1,220,000,000**	₱1,000,000,000

In 2024, the outstanding loan of ₱700 million was rolled over with Bank of the Philippine Islands (BPI), extending its maturity date in two tranches - ₱500.0 million in February 2025 and ₱200.0 million in June 2025. Additionally, the Parent Company availed another short-term loan of ₱300 million from BPI with an annual interest rate of 5.7% maturing in May 2025. Subsequent to these rollovers, ₱900 million was further rolled over extending at various maturity dates - ₱300.0 million in May 2026 ₱200.0 million in June 2026 and ₱400.0 million in December 2026 with interest ranging from 4.50% to 5.25%.

In 2025, the Parent Company made principal payments totaling ₱100 million on its short-term loan payable.

On March 2, 2025, the BPI long term loans payable was repriced at a new effective interest rate of 5.3% per annum, payable monthly. Concurrent with the repricing, BPI converted the principal installment of ₱320.0 million originally due on February 24, 2025 or at the end of the third year from borrowing date into a separate short-term facility maturing in February 26, 2026. Accordingly, such amount has been reclassified from long-term loans payable to short term loans payable as of December 31, 2025.

Interest expense pertaining to short-term loans amounting to ₱68.3 million and ₱44.3 million recognized for the years ended December 31, 2025 and 2024, respectively (see Note 27).

17. **Accounts Payable and Other Current Liabilities**

	2025	2024
Trade:		
Third parties	**₱163,177,993**	₱272,366,227
Related parties (see Note 19)	**2,856,877,986**	1,868,050,240
Nontrade:		
Third parties	**123,558,638**	450,833,443
Related parties (see Note 19)	**623,218,292**	283,986,114
Accrued expenses:		
Suppliers	**182,282,440**	197,629,756
Utilities	**26,904,969**	33,501,361
Salaries and wages	**58,290,691**	37,571,574
Customer’s loyalty program	**46,379,992**	36,699,404
Output VAT - net	**10,855,673**	63,332,664
Others	**38,869,397**	40,385,728
	₱4,130,416,071	₱3,284,356,511

Below are the terms and conditions of the financial liabilities:

- Trade payables are non-interest bearing and are normally settled in 30 to 90 days’ term.
- Nontrade payables consist of payable to contractors, lessors and employment agencies and are normally settled in 30 to 90 days’ term.
- Accrued expenses are accrual of rent expense of stores, utilities, employee benefits and incentives, freight, commissions and storage costs which are normally settled in 30 to 90 days’ term.
- Customer’s loyalty pertain to accumulated points which are generally applied to customer purchases within the next financial year. Revenue is recognized upon actual usage or expiration whichever comes first.
- Other payables are normally settled in 15 to 45 days’ term.
- For terms and conditions of related party receivables, refer to Note 19.

Other payables consist of the following:

	2025	2024
Withholding tax payable	**₱17,441,396**	₱14,410,715
Customers’ deposits	**15,859,313**	17,412,619
Fun certificates payable	**5,118,885**	5,699,657
Others	**449,803**	2,862,737
	₱38,869,397	₱40,385,728

18. **Long-term Loans Payable**

The breakdown of the loan is as follows:

	2025	2024
BDO loan -principal	**₱3,550,115,128**	₱3,597,934,622
Less unamortized debt issue costs	**(1,054,913)**	(5,363,631)
BDO loan – net of unamortized debt issue costs	**3,549,060,215**	3,592,570,991
BPI loan	**1,280,000,000**	1,600,000,000
Total	**4,829,060,215**	5,192,570,991
Less current portion of long-term loan payable	**3,549,060,215**	47,819,494
Noncurrent portion	**₱1,280,000,000**	₱5,144,751,497

BDO Unibank, Inc. (BDO) Loan
On June 8, 2016, the Parent Company entered into an Omnibus Loan and Security Agreement (OLSA) with BDO Unibank, Inc. (the Lender) and SAFHI. The lender provided a term loan facility in the principal amount of ₱5,000.0 million.

The loan is payable within 10 years to commence on the 12th month following the availment date. Payments shall be made in 18 consecutive semi-annual installments of ₱25.0 million and a final payment of ₱4,550.0 million.

The loan's interest is to be fixed at the higher of 5-year PDST-R2 plus a spread of 0.75% or 4.5% floor rate for the first 5 years, to be repriced at the last 5 years. Management has assessed that the interest rate floor on the loan is an embedded derivative which is not for bifurcation since the market rate approximates the floor rate at the transaction date.

The loan facility also contains a prepayment provision which allows the Parent Company to make optional prepayment in the amount calculated by the lender comprising (i) the outstanding principal amount of the Loan to be prepaid, and (ii) any accrued interest on the principal amount of the Loan being prepaid computed as of the date of prepayment. The prepayment option was assessed as closely related to the loan and thus, was not bifurcated.

On December 22, 2016, the Parent Company notified BDO of its intention to prepay the loan amounting to ₱1,000.0 million. The exercise of the prepayment option resulted in the revision of estimated future payments and change in the carrying amount of the financial liability. On January 3, 2017, the Parent Company prepaid portion of the loan amounting to ₱1,000.0 million and the corresponding break funding fee and prepayment penalty amounting to ₱21.4 million.

As of December 31, 2025 and 2024, the outstanding balance of the loan amounts to ₱3,549.1 million and ₱3,592.6 million, respectively.

As of December 31, 2025, the outstanding balance of the loan has been reclassified and presented as "Current portion of long-term loans payable" as the remaining installment falls due on June 16, 2026, which is within twelve (12) months from the end of the reporting period.

Following the reclassification, the Parent Company's working capital position as of December 31, 2025 resulted to a negative position. The Parent Company is actively negotiating with BDO for the extension of the loan's repayment term beyond its current maturity date. Management anticipates the favorable resolution of these negotiations in 2026, upon which the reclassification of the outstanding balance to noncurrent liabilities is expected to correspondingly address the negative working capital position of the Parent Company. As of the report date, the Group received a term loan proposal from the bank to refinance the loan and extend the term to another 5 years after its initial maturity in June 2026.

So long as any portion of the loan is outstanding and until payment in full of all amounts payable by the Parent Company under the loan documents are made, the Parent Company covenants and agrees that, unless the Lender shall otherwise consent in writing, it shall among others comply with the following affirmative covenants:

a. Ensure that at all times its obligations will constitute its secured, direct, unconditional and unsubordinated obligations, and any of its residual obligation not satisfied out of the proceeds of the collateral shall rank and will rank at all times at least pari passu in priority of payment and in all other respects with all its unsecured obligations, save for such obligations in respect of which a statutory preference is established solely by operation of law.

b. The net proceeds from the loan shall be used for the purpose of refinancing the bridge loan.

c. Financial covenant during the term of the Term Loan:
   i. its Debt date of determination, the ratio of EBITDA less regular dividends and advances to Service Coverage Ratio is at least 1.2x. Debt Service Coverage Ratio is as of the shareholders over Debt Service. For purposes hereof, “EBITDA” means operating profit before interest, taxes, depreciation and amortization, each item determined in accordance with PFRS, and the term “Debt Service” means the aggregate amount of the succeeding year’s principal amortization for the Loan, interest, fees and other financial charges made or due in respect thereof payable by the Borrower, provided that one (1) year prior to the maturity of the Loan, “Debt Service Coverage Ratio” shall mean the ratio of sum of the beginning cash balance and EBITDA less regular dividends and advances to shareholders over Debt Service;

   ii. its Debt to Equity Ratio does not exceed 5.0x within the first two years from the Borrowing under the Term Loan and 4.0x thereafter.

   The foregoing financial covenant shall be tested every six months based on annual audited or unaudited semi-annual parent company financial statements. On January 27, 2017, the OLSA was amended to include June 30, 2017 as the commencement date for the testing for the financial covenant ratios.

d. Within the period required, open and establish the Debt Service Reserve Account; and ensure that the funds deposited in the Debt Service Reserve Account is at all times maintained in accordance with the agreement. As at December 31, 2025 and 2024, the balances of DSRA has been applied to the loan balance.

e. Prior to the assignment or transfer of any trade names, copyrights, trademarks, patents and other intellectual property rights or licenses currently held by the Parent Company or any wholly-owned subsidiary of the Parent Company, the Parent Company shall pledge in favor of the Lender, under the terms and conditions of the Pledge under the Omnibus loan and security Agreement, all the outstanding shares of the Parent Company in such wholly-owned subsidiary.

As at December 31, 2025 and 2024 the Parent Company is in compliance with the aforementioned covenants.

Bank of the Philippines Islands (BPI) Loan

On February 24, 2022, the Parent Company entered into a loan agreement with Bank of the Philippines Islands (the Lender). The Lender provided a principal amount of ₱1,600.0 million, payable in ten years from March 2, 2022 (the value date). The loan has an effective interest rate of 4.3% payable monthly until paid in full.

On March 2, 2025, the loan was repriced at a new effective interest rate of 6.3% per annum, payable monthly. Concurrent with the repricing, BPI converted the principal installment of ₱320.0 million originally due on February 24, 2025 or at the end of the third year from borrowing date into a separate short-term facility maturing in February 26, 2026. Accordingly, such amount has been reclassified from long term loans payable to short term loans payable as of December 31, 2025.

The Parent Company is not subject to any loan covenants from BPI loan.

Interest expense pertaining to long-term loan amounted to ₱230.0 million in 2025 and ₱231.6 million in 2024 (see Note 27).

19. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Parent Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that gives them significant influence over the Parent Company and close members of the family of any such individual.

Approval requirements and limits on the amount and extent of related party transactions

Material related party transactions (MRPT) refers to any related party transactions, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Parent Company’s total assets based on its latest audited financial statements.

All individual MRPT shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors’ vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a 12-month period that meets or breaches the materiality threshold shall require the same BOD approval mentioned above.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2025 and 2024, the Parent Company has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Parent Company, in the normal course of business, has significant transactions with the following companies which have common members of BOD and stockholders as the Parent Company:

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance Receivable (see Note 8)	Outstanding Balance Payable (see Note 16)	Terms	Conditions
Bakemasters, Inc. (BMI)							
Trade sales and service income	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	**2025**	**₱–**	**₱155,670**	**₱–**	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	311,339	–		
Purchases	Purchase of raw materials and goods and rental storage at agreed prices usually on a cost-plus basis	**2025**	–	–	**415,484**	30-day; non-interest bearing	Unsecured
		2024	–	–	416,857		
Dividend income	Receipt of cash dividends from a subsidiary	**2025**	–	**2,175**	–	30-day; non-interest bearing	Unsecured
		2024	–	2,175	–		
Shakey's International Limited (SIL)							
Management fee income	Provides services (normally on cost plus basis) mutually agreed upon by both parties to manage the onshore transactions of SIL	**2025**	**16,316,273**	**79,541,744**	–	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	64,326,486	–		
Shakey's Pizza Regional Food Limited (SPRFL)							
Trade sales and service income	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both.	**2025**	–	**(1,131,466)**	–	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	2,712,109	–	30-day; non-interest bearing	Unsecured; not impaired
Collection	Pertains remittances of SPRFL's customers that are initially collected by SPAVI due to unavailability of SPRFL's bank account.	**2025**	–	–	**(1,653,703)**	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	–	21,496,995		

(Forward)

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance Receivable (see Note 8)	Outstanding Balance Payable (see Note 16)	Terms	Conditions
Shakey's Seacrest Inc. (SSI)							
License fee	Annual remittance of royalty fee amounting to 1.5% of net system wide sales	**2025**	**₱181,718,334**	**₱–**	**₱ 355,222,269**	360-day; non-interest bearing	Unsecured
		2024	172,028,934	–	232,842,170		
Service income	Provides services (normally on cost plus basis) mutually agreed upon by both parties to manage the transactions of SPCI	**2025**	**2,426,691**	**7,761,024**	–	30-day; non-interest bearing	Unsecured; not impaired
		2024	44,424,788	4,707,389	–		
Rental income	Rental income on property lease	**2025**	**–**	**42,800**	–	30-day; non-interest bearing	Unsecured; not impaired
		2024	64,200	42,800	–		
Dividend income	Receipt of cash dividends from a subsidiary	**2025**	**129,862,384**	**309,681,488**	–		
		2024	122,841,079	179,819,104	–		
Shakey's Pizza Commerce, Inc. (SPCI)							
Sales	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	**2025**	**998,407,968**	**2,667,213,347**	–	30-day; non-interest bearing	Unsecured; not impaired
		2024	862,323,159	2,009,509,696	–		
		2024	–	–	–		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost- plus basis	**2025**	**3,509,367,142**	–	**2,778,028,374**	30-day; non-interest bearing	Unsecured; not impaired
		2024	4,110,908,849	–	1,811,361,656		
Dividend income	Receipt of cash dividends from a subsidiary	**2025**	**1,839,261,773**	**4,583,231,494**	–	30-day; non-interest bearing	Unsecured; not impaired
		2024	1,853,174,601	2,743,969,722	–		
Service Fee	Provides services (normally on cost plus basis) mutually agreed upon by both parties to manage the transactions of SPCI	**2025**	**138,915,285**	**–**	**161,617,119**	30-day; non-interest bearing	Unsecured; not impaired
		2024	52,481,929	–	22,481,929		

(Forward)

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance Receivable (see Note 8)	Outstanding Balance Payable (see Note 16)	Terms	Conditions
Wow Brand Holdings, Inc. (WBHI)							
License fee	Annual remittance of royalty fee amounting to 6% of net system wide sales	**2025**	**₱18,934,767**	**₱337,195,604**	**₱–**	30-day; non-interest bearing	Unsecured; not impaired
		2024	162,835,021	312,352,853	–		
Service income	Provide services mutually agreed upon by both parties to manage the transactions of WBHI	**2025**	**41,876,366**	**94,178,389**	**129,610,708**	30-day; non-interest bearing	Unsecured; not impaired
		2024	21,798,094	27,379,113	5,551,580		
Rental income	Rental income on property lease	**2025**	**15,221,446**	**15,079,951**	**3,403,079**	30-day; non-interest bearing	Unsecured; not impaired
		2024	14,294,802	15,908,242	1,613,440		
Advances	Pertains to cash advances in relation to the acquisition of Peri-Peri Business	**2025**	–	–	–	30-day; non-interest bearing	Unsecured; not impaired
		2024	28,186,258	–	28,186,258		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost- plus basis	**2025**	**334,286**	**–**	**32,847,938**	30-day; non-interest bearing	Unsecured; not impaired
		2024	334,286	–	37,827,331		
The Pacific Meat Company Inc. (PMCI) (v)							
Trade sales and service income	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	**2025**	**1,116,927**	**153,204**	**–** –	30-day; non-interest bearing	Unsecured; not impaired
		2024	1,132,764	995,982	–		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2025**	**–**	**–**	**16,806,119**	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	–	17,533,219		
	\						
DBE Project Inc. (DBE)							
Trade sales and service income	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	**2025**	**–**	**436,720**	**–**	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	436720	–		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2025**	**–**	**–**	**298,043**	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	–	298,043		
Century Pacific Food, Inc. (CPFI)							
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2025**	**2,625,194**	**–**	**3,500,847**	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	–	613,134		
PC International Limited (PCIL)							
Trade sales and service income	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	**2025**	**21,425,329**	**21,425,329**	**–**	30-day; non-interest bearing	Unsecured; not impaired
		2024	–	_	–		
Advances	Pertains to cash advances for working capital purposes. Amount advanced in 2015 was converted into an interest bearing loan in 2016.	**2025**	**478,643,175**	**478,643,175**	**–**	30-day; non-interest bearing	Unsecured; not impaired
		2024	**–**	**–**	**–**		
SPAVI International USA Inc. (SIUI)							
Trade sales and service income	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	**2025**	**36,121,276**	**36,121,276**	**–**	30-day; non-interest bearing	Unsecured; not impaired
		2024	**–**	**–**	**–**		
		2025		**₱8,629,731,923**	**₱ 3,480,096,278**		
		2024		₱5,362,473,730	₱2,152,036,354		

Compensation of Key Management Personnel
The salaries and pension costs of key management personnel are as follows:

	2025	2024
Salaries	**₱50,179,868**	₱47,924,103
Pension costs	**40,525,690**	37,664,788
	₱90,705,558	₱85,588,891

There are no other short-term and long-term benefits given to the key management personnel.

20. **Equity**

Capital Stock
The details are as follows:

	Number of shares	Amount
Authorized capital stock - ₱1 par value:	2,000,000,000	₱2,000,000,000

Issued and outstanding capital stock (₱1 par value) as at December 31, 2025 and 2024:

	Number of shares	Amount
Balance at beginning and end of year	1,683,760,178	₱1,683,760,178

Below is the Parent Company's track record of the registration of securities:

Date of SEC Order Rendered Effective or Permit to Sell	Event	Authorized Capital Stock	Issued Shares	Issue Price
December 1, 2016	Registered and Listed Shares (Original Shares)	2,000,000,000	1,179,321,053	₱1.00
	Initial Public Offering (IPO)			
	Primary	2,000,000,000	104,000,000	11.26
	Secondary	2,000,000,000	202,000,000	11.26
	Over-allotment Option	2,000,000,000	46,000,000	11.26
August 6, 2021	Issuance	2,000,000,000	152,439,025	7.93
August 9, 2021	Issuance	2,000,000,000	100	8.20

The issued and outstanding shares as at December 31, 2025 and 2024 are held by 40 and 43 equity holders, respectively.

APIC
Amount received in excess of the par values of the shares issued amounting to ₱2,451.1 million was recognized as "APIC" in the parent company statements of changes in equity as at December 31, 2025 and 2024.

Retained Earnings
Details of cash dividends declared in 2025 and 2024 are as follows:

Date of Declaration	Dividend Rate (per share)	Amount	Record Date
April 15, 2024	0.20	₱336,752,037	May 15, 2024
July 3, 2025	**0.20**	**336,752,037**	**August 4, 2025**

There are no outstanding dividends payable as at December 31, 2025 and 2024.

21. Revenues from Contracts with Customers

Set out below is the disaggregation of the Parent Company’s revenue from contracts with customers:

	2025	2024
Revenue from contracts with customers:		
Restaurant sales	**₱6,096,986,781**	₱5,851,247,593
Sale of goods	**2,256,229,194**	1,707,470,379
Royalty and franchise fees	**825,002,474**	865,580,511
	₱9,178,218,449	₱8,424,298,483

	2025	2024
Timing of recognition:		
Goods transferred at a point in time and usage-based royalty fees	**₱9,127,118,488**	₱8,350,745,575
Services transferred over time	**51,099,961**	73,552,908
	₱9,178,218,449	₱8,424,298,483

Contract liabilities
Below are the details of contract liabilities:

	2025	2024
Initial franchise fee	**₱170,468,235**	₱150,816,792
Less current portion	**45,804,863**	37,704,941
Noncurrent portion	**₱124,663,372**	₱113,111,851

In 2025 and 2024, the Parent Company received advances from customers amounting ₱1,521.3 million and ₱134.9 million, respectively. This was included as part of the current portion of contract liabilities in the statements of financial position as at December 31, 2025 and 2024.

Movements of contract liabilities arising from initial franchise fees as at and for the year ended December 31, 2025 and 2024 are as follows:

	2025	2024
Beginning balance	**₱150,816,792**	₱138,349,450
Amortization of initial franchise fees	**(51,099,961)**	(73,552,908)
Initial franchise fees received	**64,778,847**	82,507,577
Accretion of interest expense	**5,972,557**	3,512,673
Ending balance	**₱170,468,235**	₱150,816,792

As at December 31, 2025, the amount of initial franchise fees allocated to remaining performance obligations, the amount of accretion of interest expense in the succeeding years, and the amount of contract liability arising from initial franchise fees are as follows:

	Unamortized initial franchise fees	Accretion of interest expense	Contract liabilities from initial franchise fees
Within one year	₱36,325,376	₱9,479,487	₱45,804,863
More than one year	97,818,360	26,845,012	124,663,372
	₱134,143,736	₱36,324,499	₱170,468,235

22. **Cost of Sales**

	2025	2024
Inventory costs (see Note 9)	**₱4,865,546,264**	₱4,494,701,613
Salaries, wages, and benefits (see Note 24)	**793,104,486**	692,373,184
Depreciation and amortization (see Note 25)	**592,660,524**	453,507,964
Utilities	**428,344,342**	377,232,212
Rent	**125,130,532**	203,808,608
Outside services	**193,782,596**	201,285,629
Supplies	**178,021,136**	173,040,688
Delivery call fees	**167,248,583**	154,081,010
Gas expenses	**133,275,983**	125,452,082
Repairs and maintenance	**86,871,888**	75,643,198
Card charges	**50,718,805**	41,397,447
Costs of shop	**16,489,145**	21,900,883
Pension costs (see Notes 24 and 26)	**20,558,671**	12,770,062
Dues and subscription	**12,305,559**	13,094,939
Commissary costs	**6,386,576**	5,146,686
Other	**396,059,608**	363,696,261
	₱8,066,504,698	₱7,409,132,466

23. General and Administrative Expenses

	2025	2024
Salaries, wages and benefits (see Note 24)	**₱404,153,846**	₱403,252,455
Advertising and promotions	**400,137,555**	297,624,945
Outside services	**191,176,826**	232,826,850
License fees (see Notes 17 and 32)	**164,531,581**	159,419,222
Taxes and licenses	**131,261,184**	127,238,734
Dues and subscription	**84,759,933**	59,325,534
Depreciation and amortization (see Note 25)	**62,935,517**	50,030,820
Transportation and travel	**61,110,185**	54,284,365
Supplies	**49,107,507**	42,094,003
Utilities	**21,652,875**	20,312,398
Pension costs (see Notes 24 and 26)	**23,025,482**	25,489,560
Gas expenses	**5,951,980**	13,942,213
Insurance	**7,890,527**	3,756,777
Directors' fees	**1,649,252**	1,045,733
Others	**27,374,332**	25,311,835
	₱1,636,718,582	₱1,515,955,444

24. Personnel Expenses

	2025	2024
Salaries, wages, bonuses and allowances		
Cost of sales (see Note 22)	**₱757,472,176**	₱662,212,975
General and administrative expense (see Note 23)	**379,174,744**	384,248,279
SSS, Pag-ibig, Medicare and other contributions		
Cost of sales (see Note 22)	**35,632,310**	30,160,209
General and administrative expense (see Note 23)	**24,979,102**	19,004,176
Retirement costs		
Cost of sales (see Notes 22 and 26)	**20,558,671**	12,770,062
General and administrative expense (see Notes 23 and 26)	**23,025,482**	25,489,560
	₱1,240,842,483	₱1,133,885,261

25. Depreciation and Amortization

	2025	2024
Property and equipment:		
Cost of sales (see Notes 12 and 22)	**₱258,092,123**	₱221,126,720
General and administrative expense (see Notes 12 and 23)	**30,521,255**	25,204,809
Software -		
General and administrative expense (see Notes 13 and 23)	**31,292,946**	23,702,729
Right-of-use asset -		
Cost of sales (see Notes 14 and 22)	**334,568,401**	232,381,244
Franchise right -		
General and administrative expense (see Note 23)	**1,121,316**	1,123,282
	₱655,596,041	₱503,538,784

26. Pension

The Parent Company has a funded, noncontributory defined benefit pension plan covering substantially all its qualified employees. The benefits are based on years of service and percentage of compensation during the last year of employment.

The following tables summarize the components of net pension costs in the parent company statements of comprehensive income as of December 31, 2025 and 2024 and accrued pension costs in the parent company statements of financial position as at December 31, 2025 and 2024. The latest actuarial valuation is as at December 31, 2025.

	2025	2024
Pension costs:		
Current service cost	**₱35,054,497**	₱31,340,158
Past service cost	**(460,200)**	–
Net interest cost	**8,989,856**	6,919,464
	₱43,584,153	₱38,259,622
Accrued pension costs		
Present value of benefit obligation (PVBO)	**₱298,259,290**	₱285,027,332
Fair value of plan assets (FVPA)	**(114,573,566)**	(137,837,275)
	₱183,685,724	₱147,190,057

Movements in the PVBO are as follows:

	2025	2024
Balance at beginning of year	**₱285,027,332**	₱248,618,398
Current service cost	**35,054,497**	31,340,158
Interest cost	**17,411,714**	15,140,860
Benefits paid	**(31,092,734)**	(4,090,824)
Net actuarial gain	**(7,779,000)**	(5,981,260)
Transfer from affiliate	**97,681**	–
Balance at end of year	**₱298,259,290**	₱285,027,332

Movements in the FVPA are as follows:

	2025	2024
Balance at beginning of year	**₱137,837,275**	₱134,998,297
Benefits paid	**(31,092,734)**	(4,090,824)
Interest income	**8,421,858**	8,221,396
Net actuarial loss	**(592,833)**	(1,291,594)
Balance at end of year	**₱114,573,566**	₱137,837,275

Movements in accrued pension costs are as follows:

	2025	2024
Balance at beginning of year	**₱147,190,057**	₱113,620,101
Pension costs	**43,584,153**	38,259,622
Transfer from affiliate	**97,681**	–
Actuarial gain	**(7,186,167)**	(4,689,666)
Balance at end of year	**₱183,685,724**	₱147,190,057

Amount recognized in OCI are as follows:

	2025	2024
Actuarial gain - PVBO	**₱7,186,167**	₱4,689,666
Deferred tax	**(1,796,542)**	(1,172,417)
Total	**₱5,389,625**	₱3,517,249

The details of the market value of the plan assets are shown below:

	2025	2024
Investments		
Government securities	**₱69,369,889**	₱80,969,067
Stocks and other securities	**26,294,090**	33,654,076
Deposit in banks	**266**	502
Other securities	**17,954,973**	22,128,621
Other asset:	**113,619,218**	136,752,266
Receivables	**1,010,117**	1,148,081
Total assets	**114,629,336**	137,900,347
Fees payable	**(55,770)**	(63,072)
Net asset value	**₱114,573,566**	₱137,837,275

The plan assets were invested in fixed income securities and equity investments. All equity and debt instruments held have quoted prices in active market. Investment activities entered by the plan asset/ liability matching strategy during the year consist of, but is not limited to, buying and selling of securities. All investments are considered as high grade based on its performance in the market.

The management performs an Asset-Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Parent Company's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The principal assumptions used in determining retirement benefit costs as at January 1, 2025 and 2024 were as follows:

	2025	2024
Discount rate	**6.31%**	6.11%
Rate of compensation increase	**4.00%**	4.00%

The discount rates and salary increase rates used in determining the retirement benefit obligation as of December 31, 2025 are 6.31% and 4.0%, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation assuming if all other assumptions were held constant:

	2025		2024	
	Increase (decrease)	Amount	Increase (decrease)	Amount
Discount rates	**0.5%**	**(7,304,532)**	0.5%	(₱6,822,597)
	(0.5%)	**8,674,348**	(0,5%)	8,245,168
Salary increase rate	**1.0%**	**19,104,363**	1.0%	18,339,199
	(1.0%)	**(13,566,551)**	(1.0%)	(12,654,368)

Shown below is the schedule of expected future benefit payments:

1 year and less	**₱–**	₱4,891,170
More than 1 year to 5 years	**21,047,669**	18,583,829
More than 5 year to 10 years	**149,239,566**	116,742,516
More than 10 year to 15 years	**134,540,084**	153,341,307
More than 15 year to 20 years	**499,897,744**	437,155,874
More than 20 years	**6,399,829,442**	5,490,803,818
	₱7,204,554,505	₱6,221,518,514

The Parent Company expects to contribute of ₱48.3 million to its retirement fund in 2026.

The plan contributions are based on the actuarial present value of valuation accumulated plan benefits and fair value of plan assets are determined using an independent actuarial. The net defined benefit cost and the contributions to the plan are specifically identifiable, such that, the Company's PVBO pertains only to the benefit of the Parent Company's employees and the FVPA, pertains only to the contributions made by the Parent Company. The Parent Company shall contribute to the Fund such amounts as shall be required, under actuarial principles, to provide the benefits and the expenses incident to the operation and administration of the Fund.

27. Interest Expense

	2025	2024
Long-term loan payables (see Note 19)	**₱230,047,586**	₱231,603,423
Lease liabilities (see Note 14)	**118,574,110**	79,315,134
Short-term loan payables (see Note 18)	**68,348,472**	44,250,278
Contract liabilities (see Note 21)	**5,972,557**	3,512,673
Debt issue cost	**7,544,137**	7,544,137
Others	**9,714,033**	
	₱440,200,895	₱366,225,645

28. Other Income – Net

	2025	2024
Service fee	**₱20,990,179**	₱10,456,499
Expired points from loyalty points	**36,343,976**	26,192,188
Accretion income from rental deposits (see Note 14)	**2,933,513**	–
Gain (loss) on		
disposal of inventory	**(1,080,336)**	(17,793,800)
Realized gain from institutional cash reserve fund	**1,839,364**	2,080,776
Gain (loss) on:		
Pre-termination of leases	**22,540,408**	9,210,623
Disposal of property and equipment	**(3,108,970)**	(6,565,486)
Other income from franchisees	**4,483,158**	(1,928,922)
Other taxes	**(39,521,787)**	–
Others - net	**5,269,726**	(8,670,602)
	₱50,689,231	12,981,276

Others - net pertain mostly to cash overages, fees charged by the Parent Company to its franchisees for the new module of the point-of-sale machines, rental income and incentives given by a supplier for high volume purchases.

29. Income Taxes

The details of provision for (benefit from) income tax are as follows:

	2025	2024
Provision for current income tax:		
MCIT	**₱23,643,392**	₱20,263,447
Deficiency income tax settlement	**33,906,157**	–
Provision for deferred income tax	**(228,537,387)**	(235,068,596)
	(₱170,987,838)	(₱214,805,149)

The details of the Parent Company's net deferred tax assets are as follows:

	2025	2024
Deferred tax assets:		
NOLCO	**₱389,978,322**	₱198,783,082
Lease liabilities	**376,472,348**	330,227,942
MCIT	**61,621,061**	42,406,225
Accrued pension costs	**45,921,431**	36,797,514
Contract liabilities	**40,841,277**	34,593,940
Difference in depreciation due to adoption of lease standard	**13,339,987**	20,315,454
Accrued bonus and other expense	**9,480,587**	8,439,260
Accrued loyalty points fund	**6,623,651**	2,613,860
Unamortized past service cost	**336,111**	575,726
Unrealized Forex Loss	**102,674**	364,228
Provisions	–	928,315
Allowance for:		
Expected credit losses	**3,142,685**	2,341,792
Inventory obsolescence	**1,190,628**	1,190,628
Unrecoverable deposits	**824,323**	824,323
	949,875,085	680,402,289
Deferred tax liabilities:		
Right-of-use assets	**311,437,718**	267,473,190
FV Change of Financial asset at FVOCI	**2,223,799**	2,976,234
Debt issuance cost	**263,728**	1,340,381
Unrealized Forex Gain	**236,510**	–
	314,161,755	271,789,805
	₱635,713,330	₱408,612,484

The deferred tax assets were measured using the appropriate corporate income tax rate on the year these are expected to be reversed.

As at December 31, 2025, the Company has incurred NOLCO in taxable years 2024 and 2025 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

			NOLCO			
Year Incurred	Availment Period	Amount	Applied in Previous Year/s	Expired	Applied in Current Year	Unapplied
2023	2024-2026	₱45,386,589	₱–	₱–	₱–	₱45,386,589
2024	2025-2027	749,745,742	–	–	–	749,745,742
2025	2026-2028	764,780,958	–	–	–	764,780,958

The details of the MCIT as at December 31, 2025, of which excess over regular corporate income tax (RCIT) shall be carried forward and credited against RCIT for three (3) immediately succeeding taxable year, is as follows:

			MCIT			
Year Incurred	Availment Period	Amount	Applied in Previous Year/s	Expired	Applied in Current Year	Unapplied
2023	2024-2026	₱22,142,778	₱–	₱–	₱–	₱22,142,778
2024	2025-2027	20,263,447	–	–	–	20,263,447
2025	2026-2028	23,643,392	–	–	–	23,643,392

The Parent Company's deferred tax on MCIT amounting to ₱4.4 million was not recognized since management believes that it is not probable that taxable profit will be available against which the deferred tax asset on NOLCO can be utilized

The reconciliation between the provision for (benefit from) income tax computed at statutory income tax rate and the provision for (benefit from) income tax as in the parent company statements of comprehensive income is as follows:

	2025	2024
Provision for (benefit from) income tax computed at 25% statutory income tax rate	**₱291,395,240**	₱318,019,967
Tax effects of:		
Dividend income subjected to final tax	**(517,280,852)**	(531,503,920)
Other nondeductible expenses - net	**22,772,628**	12,560,577
Nontaxable other income	**(5,711,673)**	(12,972,856)
Interest income already subjected to final tax	**(497,894)**	(908,917)
Unrecognized deferred tax assets	**4,428,556**	–
Deficiency income tax settlement	**33,906,157**	–
Benefit from income tax	**(₱170,987,838)**	(₱214,805,149)

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

The Parent Company's principal financial instruments comprise cash, financial assets at FVPL, trade and other receivables and loans payable. The main purpose of these financial instruments is to finance the Parent Company's operations. The Parent Company has various other financial assets and liabilities such as rental deposit, accounts payable and other current liabilities arising directly from operations and dividends payable.

The main risks arising from the Parent Company's financial instruments are credit risk, liquidity risk and equity price risk on financial assets at FVPL investment. The BOD reviews and approves policies for managing each of these risks and they are summarized below:

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Parent Company's exposure to market risk for changes in interest rates relates primarily to its short-term and long-term loans with floating interest rates.

The following table demonstrates the sensitivity of the Parent Company's income before income tax through the impact on floating rate borrowings in 2025 and 2024 to a reasonably possible change in interest rates, with all other variables held constant.

There is no impact on the Parent Company's equity other than those already affecting the net income.

	2025	2024
Increased by 1%	**₱11,381,688**	₱51,267,871
Decreased by 1 %	**(11,381,688)**	(51,267,871)

Credit Risk. Credit risk is the risk that the Parent Company will incur a loss because its customers or counterparties failed to discharge their contractual obligations. The Parent Company manages and controls credit risk by trading only with recognized, creditworthy third parties. It is the Parent Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Parent Company's exposure to bad debts is not significant.

The table below shows the maximum exposure to credit risk for the Parent Company's financial assets, without taking account of any collateral and other credit enhancements:

	2025	2024
Cash*	**₱375,048,455**	₱431,508,745
Trade and other receivables	**9,276,441,423**	6,404,344,106
Rental and other deposits**	**214,439,317**	190,298,022
Financial assets at FVOCI**	**23,600,000**	26,000,000
Total credit risk exposure	**₱9,889,529,195**	₱7,052,150,873

**Excluding cash on hand.*
***Included under Rental deposits and other noncurrent assets in the consolidated statements of financial position*

Set out below is the is the information about the credit risk exposure on the Parent Company's trade receivables using a provision matrix:

2025		**Days past due**					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**90-120 days**	**>121 days**	**Total**
ECL rate	**0.045%**	**0.155%**	**0.248%**	**0.396%**	**0.634%**	**1.044%**	
Estimated total gross carrying at default	**₱1,958,808,075**	**₱648,430,762**	**₱480,360,250**	**₱322,302,290**	**₱435,070,803**	**₱523,386,342**	**₱4,368,358,522**
ECL	**₱876,624**	**₱1,003,866**	**₱1,189,870**	**₱1,277,367**	**₱2,758,876**	**₱5,464,137**	**₱12,570,740**

2024		Days past due					
	Current	<30 days	30-60 days	61-90 days	90-120 days	>121 days	Total
ECL rate	0.033%	0.078%	0.188%	0.451%	1.084%	2.802%	
Estimated total gross carrying at default	₱1,886,492,457	₱655,418,333	₱420,121,869	₱133,697,771	₱208,577,502	₱163,550,485	₱3,467,858,417
ECL	₱616,115	₱513,732	₱790,323	₱ 603,621	₱2,260,056	₱4,583,320	₱9,367,168

The tables below detail the credit quality of the Parent Company's financial assets and other items, as well as the Parent Company's maximum exposure to credit risk by credit risk rating grades:

	Internal credit rating	**12m or lifetime ECL**	**Gross carrying amount (i)**	**Loss allowance**	**Net carrying amount**
2025					
Cash*	(i)	12m ECL	**₱375,048,455**	**₱–**	**₱375,048,455**
Trade receivables	(i)	Lifetime ECL	**4,368,358,522**	**12,570,740**	**4,355,787,782**
Other receivables	Performing	12m ECL	**27,738,482**	**–**	**27,738,482**
Rental and other deposits**	Performing	12m ECL	**217,736,610**	**3,297,293**	**214,439,317**
			₱4,988,882,069	**₱15,868,033**	**₱4,973,014,036**
2024					
Cash*	(i)	12m ECL	₱ 431,508,745	₱–	₱ 431,508,745
Trade receivables	(i)	Lifetime ECL	3,467,858,417	9,367,168	3,458,491,249
Other receivables	Performing	12m ECL	22,061,856	–	22,061,856
Rental and other deposits**	Performing	12m ECL	193,595,315	3,297,293	190,298,022
			₱4,115,024,333	₱12,664,461	₱4,102,359,872

**Excluding cash on hand.*
***Included under Rental deposits and other noncurrent assets in the consolidated statements of financial position*

(i) For trade receivables, the Parent Company has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Parent Company determines the expected credit losses on these items by using a provision matrix.

Liquidity Risk. Liquidity risk arises from the possibility that the Parent Company may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price.
The Parent Company's objective is to maintain a balance between continuity of funding and flexibility through the use of advances to related parties. The Parent Company maintains sufficient cash to finance its operations.

The Parent Company manages its liquidity risk by maintaining strength and quality on financial position where debt-to-equity ratio is at a manageable level. The Parent Company also maintains a financial strategy that the scheduled debts are within the Parent Company's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Parent Company's financial liabilities based on contractual undiscounted payments. The table also analyses the maturity profile of the Parent Company's financial assets in order to provide a complete view of the Parent Company's contractual commitments and liquidity.

	2025					
	Due and Demandable	**< 90 Days**	**91–180 Days**	**181–365 Days**	**Over 365 Days**	**Total**
Cash	**₱418,709,971**	**₱–**	**₱–**	**₱–**	**₱–**	**₱418,709,971**
Trade and other receivables	**6,851,723,233**	**1,451,093,302**	**500,669,618**	**–**	**472,955,270**	**9,276,441,423**
Rental and other deposits	**156,424,839**	**–**	**–**	**–**	**58,014,478**	**214,439,317**
	7,426,858,043	**1,451,093,302**	**500,669,618**	**–**	**530,969,748**	**9,909,590,711**
Short-term loans**	**–**	**–**	**–**	**1,252,612,500**	**–**	**1,252,612,500**
Accounts payable and other current liabilities:						
Trade payables	**3,020,055,979**	**–**	**–**	**–**	**–**	**3,020,055,979**
Nontrade payables	**746,776,930**	**–**	**–**	**–**	**–**	**746,776,930**
Accrued expenses	**267,478,100**	**–**	**–**	**–**	**–**	**267,478,100**
Other payables*	**–**	**20,982,544**	**–**	**–**	**–**	**20,982,544**
Dealers' deposit and other noncurrent liabilities	**–**	**–**	**–**	**–**	**95,078,362**	**95,078,362**
Long-term loans payable**	**–**	**–**	**–**	**–**	**4,989,443,349**	**4,989,443,349**
Lease liabilities	**–**	**–**	**–**	**356,571,141**	**1,823,751,382**	**2,180,322,523**
	4,034,311,009	**20,982,544**	**–**	**1,609,183,641**	**6,908,273,093**	**12,572,750,287**
Liquidity gap	**3,392,547,034**	**1,430,110,758**	**500,669,618**	**(1,609,183,641)**	**(6,377,303,345)**	**(2,663,159,576)**

**Excluding statutory payables.*
***Including future interest payments*

	2024					
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Cash	₱500,997,118	₱–	₱–	₱–	₱–	₱500,997,118
Trade and other receivables	4,810,283,458	1,209,237,973	256,548,450	–	128,274,225	6,404,344,106
Rental and other deposits	149,068,392	–	–	–	44,526,922	193,595,314
	5,460,348,968	1,209,237,973	256,548,450	–	172,801,147	7,098,936,538
Short-term loans**	–	–	–	1,015,328,142	–	1,015,328,142
Accounts payable and other current liabilities:						
Trade payables	2,140,416,467	–	–	–	–	2,140,416,467
Nontrade payables	734,819,557	–	–	–	–	734,819,557
Accrued expenses	268,702,691	–	–	–	–	268,702,691
Other payables*	–	25,975,014	–	–	–	25,975,014
Dealers' deposit and other noncurrent liabilities	–	–	–	–	81,707,487	81,707,487
Long-term loans payable**	–	–	–	–	5,897,225,843	5,897,255,843
Lease liabilities	–	–	–	342,640,195	1,707,033,456	2,049,673,651
	3,134,258,126	25,975,014	–	1,357,968,337	7,685,966,786	11,899,101,571
Liquidity gap	2,126,659,881	1,183,262,959	256,548,450	(1,357,968,337)	(7,513,165,639)	(4,800,165,033)

**Excluding statutory payables.*
***Including future interest payments*

Capital Management

The primary objective of the Parent Company's capital management is to safeguard the Parent Company's ability to continue as a going concern, so that it can to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Parent Company manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company adjusts the dividend payment to stockholders, return capital to stockholders or issue new shares. The Parent Company's debt-to-equity ratio is as follows:

	2025	2024
Total liabilities	**₱13,655,857,895**	₱11,312,538,572
Total equity	**10,162,439,066**	9,159,272,680
	1.34:1	1.24:1

31. Fair Value Information

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale.

Financial Instruments Whose Carrying Amounts Approximate Fair Value. Management has determined that the carrying amounts of cash, trade and other receivables, advances to related parties, accounts payable and other current liabilities and dividends payable, based on their notional amounts, reasonably approximates their fair values because these are mostly short-term in nature or are repriced frequently.

Other Financial Instruments. Set out below is a comparison by category of carrying amounts and estimated fair values of the Parent Company's financial instruments other than those described above:

	As at December 31, 2025			
			Fair Value	
	Date of Valuation	**Carrying Value**	**Level 1 Quoted**	**Level 2 Significant Observable Input**
Assets for which fair values are disclosed:				
Rental deposits	**December 31, 2025**	**₱217,736,610**		**₱185,139,512**
Financial asset at FVOCI		**23,600,000**		**23,600,000**
		₱241,336,610		**₱208,739,512**
Liabilities for which fair values are disclosed:				
Loan payable	**December 31, 2025**	**₱4,829,060,215**		**₱3,358,178,175**
Dealers' deposits	**December 31, 2025**	**95,078,362**		**95,014,672**
		₱4,924,138,577		**₱3,453,192,005**

	As at December 31, 2024			
			Fair Value	
	Date of Valuation	Carrying Value	Level 1 Quoted	Level 2 Significant Observable Input
Assets for which fair values are disclosed:				
Rental deposits	December 31, 2024	₱190,298,021	₱–	₱141,543,555
Financial asset at FVOCI		26,000,000	₱–	26,000,000
		₱216,298,021		₱167,543,555
Liabilities for which fair values are disclosed:				
Loan payable	December 31, 2024	₱5,192,570,991	₱–	₱4,437,875,060
Dealers' deposits	December 31, 2024	49,051,864	–	34,307,446
		₱5,241,622,855	₱–	₱4,472,182,506

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Rental Deposits. The fair values were obtained by discounting the instruments' expected cash flows using interest rates of 4.69% to 6.41% as at December 31, 2025 and 5.71% to 6.18% as at December 31, 2024, respectively. Fair value category is Level 2, significant observable inputs.

Financial assets at FVOCI. The fair value of the financial assets at FVOCI as at December 31, 2025 is based on quoted market price (Level 1).

Loans Payable. The fair value of loan payable which was discounted using prevailing market rate of 5.56% and 5.99% as at December 31, 2025 and 2024, respectively. Fair value category is Level 2, significant observable inputs.

Dealers' Deposits. The fair values were obtained by discounting the instruments' expected cash flows using interest rates of 5.93% and 6.10% as at December 31, 2025 and 2024, respectively. Fair value category is Level 2, significant observable inputs.

As at December 31, 2025 and 2024, there were no transfers between Level 1 and 2 fair value measurements.

32. **Commitments**

Trademark Licensing and Franchise Agreements

The Parent Company has existing Trademark Licensing and Franchise Agreements with independent franchisees to operate restaurant outlets under the "Shakey's" "Peri-Peri" and "Supertea" concept and trade names. In consideration thereof, the franchisees agree to pay continuing franchise fees equivalent to a certain percentage of the franchisees' net sales.

The franchisees also pay management fees for various services, including maintenance services and advertising rendered by the Parent Company.

Royalty and franchise fees amounted to ₱825.0 million in 2025 and ₱865.6 million in 2024 (see Note 21). As at December 31, 2025 and 2024, royalty receivable amounted to ₱84.5 million and ₱79.2 million, respectively (see Note 8).

33. Earnings per Share (EPS)

Basic EPS is computed based on the weighted average number of issued and outstanding common shares during each year. Diluted EPS is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year. When there are no potential common shares or other instruments that may entitle the holder to common shares, diluted EPS, is the same as the basic EPS.

There are no dilutive financial instruments for the years ended December 31, 2025 and 2024, hence, diluted EPS is the same as the basic EPS.

The Parent Company's EPS were computed as follows:

	2025	2024
(a) Net income	**₱1,336,568,798**	₱1,486,885,017
(b) Weighted average number of shares outstanding	**1,683,760,178**	1,683,760,178
Basic/ diluted EPS (a/b)	**₱0.79**	₱0.88

34. Notes to the Parent Company Statements of Cash Flows

The following are the noncash activities for the years ended December 31, 2025 and 2024:

	2025			
	January 1	**Net cash flows**	**Noncash changes**	**December 31**
Rental and other noncurrent assets (a)	**₱209,179,183**	**₱65,704,686**	**₱2,933,513**	**₱277,817,382**
Loans payable (b)	**6,192,570,991**	**(151,054,913)**	**7,544,137**	**6,049,060,215**
Contract liabilities (a)	**285,801,757**	**1,451,053,778**	**(45,127,404)**	**1,691,728,131**
Lease liabilities (c)	**1,320,911,769**	**(404,760,126)**	**589,737,749**	**1,505,889,392**

	2024			
	January 1	Net cash flows	Noncash changes	December 31
Rental and other noncurrent assets (a)	₱153,131,766	₱15,966,254	₱40,081,163	₱209,179,183
Loans payable (b)	5,942,570,991	250,000,000	–	6,192,570,991
Contract liabilities (a)	138,349,450	8,954,669	138,497,638	285,801,757
Lease liabilities (c)	1,137,188,068	(212,044,354)	395,768,055	1,320,911,769

Details of the noncash changes are as follows:

(a) Pertains to accretion of interest expense and interest income on long-term rental deposits included in "Rental deposits and other noncurrent assets" and long-term dealer's deposits included in "Dealer's deposits and other noncurrent liabilities", respectively.
(b) Pertains to amortization of debt issuance cost during the year amounting to ₱7.5 million and ₱7.4 million in 2025 and 2024, respectively. Additional noncash changes refer to the reclassification of ₱320.0 million loan from long-term to short-term loan payable.
(c) Changes are presented under Note 14.

The changes in the Parent Company's liabilities arising from financing activities are as follows:

	2025						
	January 1	**Additions**	**Proceeds**	**Payments**	**Interest expense**	**Other movements**	**December 31**
Lease liabilities*	**₱1,320,911,769**	**₱522,653,522**	**₱–**	**(₱404,760,126)**	**₱118,574,110**	**(₱51,489,882)**	**₱1,505,889,392**
Loans payable	**6,192,570,991**	**–**	**–**	**(151,054,913)**	**–**	**7,544,137**	**6,049,060,215**
Dividends	**–**	**336,752,037**	**–**	**(336,752,037)**	**–**	**–**	**–**
Accrued interest**	**–**	**–**	**–**	**(315,654,228)**	**440,200,895**	**(124,546,667)**	**–**
Total liabilities from financing activities	**₱7,513,482,760**	**₱859,405,559**	**₱–**	**(₱1,208,221,304)**	**₱558,775,005**	**(₱168,492,412)**	**₱7,548,460,383**

**Other movements pertain to the gain on lease concession and derecognition of lease liability*
***Other movements pertain to interest accretion for PFRS 15*

	2024						
	January 1	Additions	Proceeds	Payments	Interest expense	Other movements	December 31
Lease liabilities*	₱1,137,188,068	₱426,920,845	₱–	(₱291,359,488)	₱79,315,134	(₱31,152,790)	₱1,320,911,769
Loans payable	5,942,570,991	–	300,000,000	(50,000,000)	–	–	6,192,570,991
Dividends	–	336,752,037	–	(336,752,037)	–	–	–
Accrued interest**	–	–	–	(249,347,964)	366,225,645	(116,877,681)	–
Total liabilities from financing activities	₱7,079,759,059	₱763,672,882	₱300,000,000	(₱927,459,489)	₱445,540,779	(₱148,030,471)	₱7,513,482,760

**Other movements pertain to the gain on lease concession and derecognition of lease liability*
***Other movements pertain to interest accretion for PFRS 15*

35. Supplementary Tax Information under Revenue Regulations (RR) 15-2010

The Parent Company reported and/or paid the following types of taxes in 2025:

<u>VAT</u>
The Parent Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

a. Output VAT

Sales and output VAT declared in the Parent Company's VAT returns for 2025 are as follows:

	Net Sales/Receipts	Output VAT
Taxable sale of goods	₱8,550,742,834	₱1,026,089,140
Zero-rated sales/receipts	138,270,193	–
Exempt Sales	405,614,714	–
Balance at end of year	₱9,094,627,741	₱1,026,089,140

The Parent Company has exempt sales pursuant to the provision of RR 7-2010 "Implementing the Tax Privileges Provisions of Republic Act No. 9994, otherwise known as "Expanded Senior Citizen Act of 2010' and Prescribing the Guidelines for the Availment."

"Zero-rated – sale of good" are based on invoice on revenues from export sales which are entitled to VAT zero-rating under Section 106(A)(2) and Section 108(B)(7) of the 1997 Tax Code, lodged under the account "Revenue" in the books of the company. Zero-rated sales Petain to export sales of goods.

b. Input VAT

As at December 31, 2025, the details of the Parent Company's input VAT are as follows:

	Tax Amount
Balance at beginning year	₱–
Input VAT deferred on capital goods	1,336,297
Domestic Purchases	653,815,893
Services Rendered by Non-Residents	5,203
Importations	197,530,636
Input VAT allocable to exempt Sales	(37,982,060)
Input VAT claimed against output VAT	(814,705,969)
Balance at end of year	₱–

Information on the Parent Company's Importations
In 2025, the Parent Company's transactions which are subject to broker's and other fees are as follows:

Taxable value	₱1,646,088,630
Input VAT	₱197,530,636

Taxes and Licenses
Taxes and license, local and national, include real estate taxes, business licenses and permit fees and fringe benefit taxes for 2025:

License and permit fees	₱112,729,833
Realty tax payment	7,585,403
Barangay/DTI and other fees	2,903,797
Documentary stamp taxes (DST)	8,042,151
Fringe benefit taxes	–
	₱131,261,184

Withholding Taxes
Movements in withholding taxes for 2025 are as follows:

	Final Withholding Taxes	Tax on Compensation and Benefits	Expanded Withholding Taxes
Beginning of the year	₱–	₱–	₱9,366,722
Taxes withheld	8,680,110	61,741,297	107,831,527
Remittances	(8,617,610)	(60,385,320)	(106,835,829)
Balance at end of year	₱62,500	₱1,355,977	₱10,362,420

Deficiency Tax Assessments and Tax Cases
The Parent Company is currently not involved in any tax cases and tax assessments in Final Assessment Notice Stage as at December 31, 2025.

Outlook

[EXT] Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
Date Wed 4/15/2026 8:19 PM
To Tax Section <taxsection@shakeys.biz>
Cc MPPINON@SHAKEY.BIZ <MPPINON@SHAKEY.BIZ>

Hi SHAKEY'S PIZZA ASIA VENTURES INC,

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- EAFS000163396AFSTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-69CJCBG03RPQVTW1NXSYZNQ30GHGBA59**
Submission Date/Time: **Apr 15, 2026 08:19 PM**
Company TIN: **000-163-396**

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