

SECURITIES AND EXCHANGE COMMISSION

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

1. For the quarterly period ended **September 30, 2025**
2. Commission identification number **54666**
3. BIR Tax Identification No. **000-163-396**
4. **SHAKEY'S PIZZA ASIA VENTURES INC.**
 Exact name of issuer as specified in its charter
5. **MANILA, PHILIPPINES**
 Province, country or other jurisdiction of incorporation or organization , pl
6. Industry Classification Code: (SEC Use Only)
7. **15KM EAST SERVICE ROAD CORNER MARIAN ROAD 2,**
BARANGAY SAN MARTIN DE PORRES, PARANAQUE CITY **1700**
 Address of issuer's principal office Postal Code
8. **(632) 867-7602**
 Issuer's telephone number, including area code
9. **N/A**
 Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	<u>COMMON SHARES</u>
Number of shares of common stock outstanding	<u>1,683,760,178</u>
11. Are any or all of the securities listed on a Stock Exchange?
 Yes No
 If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
PHILIPPINE STOCK EXCHANGE; COMMON SHARES
12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period 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

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited interim consolidated financial statements of Shakey's Pizza Asia Ventures Inc., and its wholly owned subsidiaries Bakemasters, Inc., Shakey's International Limited, Shakey's Seacrest Incorporated, Shakey's Pizza Regional Foods Limited, PC International Pte. Ltd, SPAVI International USA Inc, Shakey's Pizza Commerce, Inc., and Wow Brand Holdings Inc. (collectively, the 'Company' or 'PIZZA') as of and for the period ended September 30, 2025 and the comparative period in 2024 is attached to this 17-Q report, comprising of the following:

- 1.1 Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024
- 1.2 Consolidated Statement of Income for the period ended September 30, 2025 and September 30, 2024
- 1.3 Consolidated Statement of Cash Flows for the period ended September 30, 2025 and September 30, 2024
- 1.4 Consolidated Statement of Changes in Shareholder's Equity for the period ended September 30, 2025 and September 30, 2024.
- 1.5 Notes to Consolidated Financial Statements for the period ended September 30, 2025

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations (Based on the unaudited consolidated financial statements for the period ended September 30, 2025)

Business Overview

Shakey's Pizza Asia Ventures Inc. (SPAVI) or PIZZA, is the market leader in chained pizza full service restaurant, chained full service restaurant, and chained kiosks with 69.2%, 23.6%, and 14.4% market shares, respectively, based on 2024 and 2023 data from Euromonitor.

PIZZA 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. PIZZA is a strong brand because of 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. With this, 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 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 stores in the Philippines, United Arab Emirates and Singapore.

PIZZA is able to serve the A, B and upper C income classes through its various sales channels. 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. With the shift of consumer trend towards safety and convenience, PIZZA ensures that it continues to operate well-designed, comfortable, clean and guest-oriented stores, operate an efficient delivery system for guests, and expand its online sales platform to align itself with current market and consumption trends.

PIZZA is accessible nationwide through various store formats. These formats differ in size ranging from 120 sqm to 400 sqm. Smaller stores tend to need 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 Shakey's 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 4 years. PIZZA also has a well-established franchised model with an industry-leading return on investment averaging 4 years.

In 2016, Century Pacific Group Inc. (CPGI) and the sovereign wealth fund of Singapore acquired majority ownership of PIZZA. CPGI is the parent company of Century Pacific Food Inc. (CNPF), the largest manufacturer of canned food in the Philippines.

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.

On June 1, 2019, PIZZA acquired Peri-Peri Charcoal Chicken, 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.

In August 2020, the Company entered into a master franchise agreement with Singapore-based Koufu Group Ltd to bring the *R&B milk tea* brand 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, US, Singapore, Cambodia, Vietnam, Malaysia and Indonesia. Under the agreement, PIZZA shall be 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* and *Peri-Peri Charcoal Chicken* outlets.

In December 2021, the Company entered into an agreement to purchase assets and intellectual property relating to Potato Corner, with PIZZA assuming the management of the brand beginning March 2022. Potato Corner is one of the leading and most established food kiosk chains in the Philippines. Since its inception in 1992, the brand has built a vast network of over 1,000 outlets domestically and has a growing international footprint in Asia and beyond.

Results of Operations

The following table summarizes the reported key financial information for PIZZA for the nine months ending September 30, 2025 and 2024, respectively:

In ₱ Mill	Nine months ending September 30, 2025	Nine months ending September 30, 2024	Change YoY
Systemwide sales	17,676	15,524	14%
Net Revenue	11,239	10,047	12%
Cost of Sales	(8,700)	(7,608)	14%
Gross Profit	2,539	2,438	4%
Operating Expense	(1,539)	(1,442)	7%
Operating Income	1,000	997	0%
Net income before tax	624	714	-13%
Net income after tax	570	671	-15%

Core Net income after tax	650	671	-3%
Core EBITDA	1,796	1,581	14%
Margins			
Gross profit margin	22.6%	24.3%	-170 bps
Operating margin	8.9%	9.9%	-100 bps
Net income margin	5.1%	6.7%	-160 bps
Core Net income margin	5.8%	6.7%	-90 bps

Results of Operation

- Shakey's Pizza Asia Ventures Inc, one of the Philippines' leading fast casual restaurant chain and food service groups, posted a 14% YoY growth rate in systemwide sales (SWS) amidst a muted discretionary spending environment, buoyed by the company's strategic investments in global network expansion.
- SWS for the first nine months reached ₱17.7 billion, while revenues amounted to ₱11.2 billion, up 12% versus the same period last year. New stores drove the company's topline performance.
- In terms of profitability, 9M25 gross margins stood at 22.6%, softening by 170 basis points (bps) versus the same period last year. While the group saw improving input costs, continued investments in network expansion including renovations and pre-operating expenses of new stores influenced gross profit.
- Meanwhile, operating expenses as a percentage of sales stood at 13.7% for the nine-month period. OPEX-to-sales posted a 70bps improvement versus the comparable period due to cost recovery from year-to-date topline growth.
- As a result, headline NIAT amounted to ₱570 million, while net profit margin (NPM) stood at 5.1%. Removing the impact of one-offs in 2Q, core NIAT registered at ₱650 million, while core NPM clocked in at 5.8%.

Financial Condition

The Company's financial stability and financial position as of September 30, 2025, is as follows:

- Cash and cash equivalents stood at ₱821 million. Cash provided by operating activities amounted to ₱1.03 billion, with net cash used in investing activities totaling ₱552 million and net cash used in financing activities amounting to ₱980 million.
- Current ratio was broadly steady at 1.3x as of September 30, 2025 relative to 2024's 1.4x. The cash conversion cycle shortened to 17 days from 24 days as of end-2024. Receivable and inventory days stood at 20 and 49 respectively, while accounts payable came in at 52 days.
- Net property, plant and equipment, amounted to ₱2.5 billion as of September 30, 2025. Capital expenditures for the first nine months of the year totaled ₱693 million.
- As of September 30, 2025, the Company had ₱6.2 billion in interest-bearing debt, unchanged from the year-end level.

- Net debt-to-equity ratio is measured at 1.2x as of September 30, 2025, unchanged compared to the 1.2x figure as of year-end 2024. Considering only interest-bearing liabilities, the Company's net gearing ratio and net interest-bearing debt-to-core EBITDA stood at 0.6x and 1.9x, respectively, as of September 30, 2025.

Key Performance Indicators (KPIs)

	Unaudited 1 st Nine Months 2025	Unaudited 1 st Nine Months 2024
Gross Profit Margin	23%	24%
Before Tax Return on Sales	6%	7%
Return on Sales	5%	7%
Core Return on Sales	6%	7%
Interest-Bearing Debt-to-Equity	0.7x	0.7x
Current Ratio	1.3x	1.4x

Notes:

1 Gross Profit margin = Gross Profit / Net Revenue

2 Before Tax Return on Sales = Net Profit Before Tax / Net Revenue

3 Return on Sales = Net Profit After Tax / Net Revenue

4 Core Return on Sales = Core Net Profit After Tax / Net Revenue

5 Interest-Bearing Debt-to-Equity = Loans Payable / Total Stockholders' Equity

6 Current Ratio = Total Current Assets / Total Current Liabilities

SIGNATURES

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

SHAKEY'S PIZZA ASIA VENTURES INC.



VICENTE L. GREGORIO
President and Chief Executive Officer
Date: November 14, 2025



MYROSE APRIL C. VICTOR
Chief Financial Officer
Date: November 14, 2025

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash	₱820,967,733	₱1,319,799,492
Trade and other receivables	861,233,377	1,560,225,051
Inventories	1,601,365,139	1,759,910,852
Prepaid expenses and other current assets	1,285,271,339	630,309,536
Total Current Assets	4,568,837,588	5,270,274,931
Noncurrent Assets		
Property and equipment	2,515,489,167	2,317,956,225
Intangible assets	10,365,601,961	10,354,987,940
Right-of-use assets	1,967,157,526	1,803,635,740
Deferred input value-added tax	67,290	1,336,297
Deferred tax assets- net	382,520,057	206,391,374
Other noncurrent assets	517,704,062	420,939,042
Total Noncurrent Assets	15,748,540,063	15,105,246,618
TOTAL ASSETS	₱20,317,377,651	₱20,375,521,549
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	₱1,710,501,239	₱2,212,546,716
Short-term loans payable	1,320,000,000	1,000,000,000
Current portion of:		
Lease Liabilities	348,817,826	293,913,746
Long-term loans payable	47,932,514	47,819,494
Contract liabilities	41,282,748	101,014,383
Income tax payable	71,712,121	141,506,728
Total Current Liabilities	3,540,246,448	3,796,801,168
Noncurrent Liabilities		
Noncurrent current portion of:		
Long-term loans payable	4,799,638,477	5,144,751,497
Lease liabilities	1,984,438,275	1,827,842,338
Contract liabilities	60,716,185	121,045,193
Accrued pension costs	189,083,644	152,214,080
Dealers' deposits and other noncurrent liabilities	292,686,288	82,188,507
Deferred tax liabilities – net	396,952,983	396,952,983
Total Noncurrent Liabilities	7,723,515,852	7,724,994,598
Total Liabilities	11,263,762,300	11,521,795,766
Equity		
Capital stock	1,683,760,178	1,683,760,178
Additional paid-in capital	2,451,116,470	2,451,116,470
Retained earnings	4,878,079,867	4,645,088,555
Other components of equity	40,658,836	73,760,580
Total Equity	9,053,615,351	8,853,725,783
TOTAL LIABILITIES AND EQUITY	₱20,317,377,651	₱20,375,521,549

See accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	2025 (Unaudited)	2024 (Unaudited)
REVENUES		
Net sales	₱10,810,746,419	9,683,314,050
Royalty and franchise fees	428,208,163	363,628,867
	11,238,954,582	10,046,942,917
COSTS OF SALES	(8,699,896,689)	(7,608,464,940)
GROSS INCOME	2,539,057,893	2,438,477,977
GENERAL AND ADMINISTRATIVE EXPENSES	(1,539,465,995)	(1,441,848,713)
INTEREST EXPENSE	(347,969,179)	(295,410,624)
OTHER INCOME- net	(27,318,137)	12,663,568
INCOME BEFORE INCOME TAX	624,304,582	713,882,208
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	225,857,611	233,780,839
Deferred	(171,296,378)	(190,527,019)
	54,561,233	43,253,820
NET INCOME	₱569,743,349	₱670,628,388
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Translation gain from foreign subsidiaries	(24,826,308)	-
Tax effect	(8,275,436)	-
	(33,101,744)	-
TOTAL COMPREHENSIVE INCOME	₱536,641,605	₱670,628,388
Basic/Diluted Earnings Per Share	₱0.34	₱0.40

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	2025 (Unaudited)	2024 (Unaudited)
REVENUES		
Net sales	₱3,691,563,947	3,400,589,037
Royalty and franchise fees	145,159,992	122,119,573
	3,836,723,939	3,522,708,610
COSTS OF SALES	(2,945,337,960)	(2,669,883,215)
GROSS INCOME	891,385,979	852,825,396
GENERAL AND ADMINISTRATIVE EXPENSES	(553,606,063)	(482,340,374)
INTEREST EXPENSE	(129,257,819)	(108,287,394)
OTHER INCOME- net	39,276,295	10,751,495
INCOME BEFORE INCOME TAX	247,798,392	272,949,123
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	50,570,211	84,894,991
Deferred	(25,570,295)	(62,068,990)
	24,999,916	22,826,001
NET INCOME	₱222,798,476	₱250,123,122
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Translation gain from foreign subsidiaries	(10,581,487)	-
Tax effect	(3,527,162)	-
	(14,108,649)	-
TOTAL COMPREHENSIVE INCOME	₱208,689,827	₱250,123,122
Basic/Diluted Earnings Per Share	₱0.13	₱0.15

**SHAKEY'S PIZZA ASIA VENTURES INC.
AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Other Components of Equity	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	–	–	569,743,349	(33,101,744)	536,641,605
Dividends declared	–	–	(336,752,037)	–	(336,752,037)
Balances at September 30, 2025	₱1,683,760,178	₱2,451,116,470	₱4,878,079,867	₱40,658,836	₱9,053,615,351
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	–	–	670,628,387	–	670,628,387
Movement in foreign translation	–	–	–	8,839,622	8,839,622
Dividends declared	–	–	(336,752,037)	–	(336,752,037)
Balances at September 30, 2024	₱1,683,760,178	₱2,451,116,470	₱4,122,309,398	₱44,739,342	₱8,301,925,388

**SHAKEY'S PIZZA ASIA VENTURES INC.
AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱624,304,582	₱713,882,207
Adjustments for:		
Depreciation and amortization	743,136,435	572,426,522
Interest expense	347,969,179	295,410,624
Increase in accrued pension costs	36,869,563	27,615,625
Interest income	(398,110)	(350,506)
Unrealized foreign exchange loss (gain)	(3,726,673)	(192,192)
Income before working capital changes	1,748,154,976	1,608,792,280
Decrease (increase) in:		
Trade and other receivables	699,021,672	(973,744,486)
Inventories	158,545,713	22,280,842
Prepaid expenses and other current assets	(654,961,803)	247,392,264
Increase (decrease) in:		
Accounts payable and other current liabilities	(502,045,484)	641,487,070
Contract liabilities	(120,060,744)	10,025,706
Net cash generated from operations	1,328,654,330	1,556,233,676
Income tax paid	(295,652,217)	(225,601,228)
Interest received	398,110	350,506
Net cash provided by operating activities	1,033,400,223	1,330,982,954
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Other noncurrent assets	(70,765,019)	(57,563,362)
Deferred input value added tax	1,269,007	1,833,070
Increase (decrease) in:		
Dealer's deposits and other noncurrent liabilities	210,497,781	(30,043,034)
Acquisition of property and equipment	(693,003,221)	(877,860,043)
Net cash used in investing activities	(552,001,452)	(1,000,818,597)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of short- term loan	-	288,790,845
Payment of Long-term Loan	(25,000,000)	-
Payment of interest	(347,969,179)	(238,727,425)
Payment of lease liability	(270,509,315)	(43,060,490)
Dividend Paid	(336,752,036)	(336,752,036)
Net cash provided by financing activities	(980,230,530)	(329,749,106)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	-	192,190
NET INCREASE IN CASH AND CASH EQUIVALENTS	(498,831,759)	415,251
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,319,799,492	901,147,527
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱820,967,733	901,562,778

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED 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" and "Peri-Peri".

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 Unaudited Interim Condensed Consolidated Financial Statements

The unaudited interim condensed consolidated financial statements were approved and authorized for issuance by the Parent Company's Board of Directors (BOD) on November 14, 2025.

2. Basis of Preparation and Consolidation and Statement of Compliance

Basis of Preparation

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL) which are carried at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Group's functional currency. All values are rounded off to the nearest million, except those otherwise indicated.

Statement of Compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation

The unaudited interim condensed consolidated financial statements comprise the unaudited interim condensed financial statements of the Parent Company and its wholly-owned subsidiaries and are prepared for the same reporting year as the Parent Company, using consistent accounting policies for like transactions and other events with similar circumstances.

Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee.

Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the nine elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the unaudited interim condensed consolidated statement of comprehensive income from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Parent Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The unaudited interim condensed 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) ^a	Manufacturer of pizza dough and pastries	Philippines	100%
PC International Limited (PCIL)	Restaurant business	Singapore	100%
Queensview International Limited (QIL)*	Trademark	British Virgin Islands	100%
SPAVI International USA Inc.	Trademark	United States of America	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%
Shakey's Pizza Commerce Inc. (SPCI)	Trading of goods	Philippines	100%
Wow Brand Holdings, Inc. (WBHI)	Restaurant business	Philippines	100%

**QIL is in the process of liquidation in 2024*

3. Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the Company's financial statements are consistent with those of the previous financial year except for the following new accounting pronouncements.

Unless otherwise indicated, the Group does not expect that the adoption of the said pronouncements to have a significant impact on its consolidated financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

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 consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- 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. Business Combinations

Acquisition of Potato Corner (PC) Business

On March 5, 2022, the Group entered into various purchase agreements (the "Agreements") with Cinco Group for the assets and intellectual property related to the PC business. The acquisition also involved owning and operating all company-owned stores, as well as serving as brand-owner and franchisor of stores being operated by franchisees both domestically and internationally. The agreements also include purchase of 100% shares in the PC offshore entities. The agreements were reconsidered a linked transactions and accounted as one business combination at the Group's consolidated financial statements.

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

In December 2022, the Group and the seller made amendments in the agreements dated

March 5, 2022. The fair value of the identifiable net assets acquired amounted to ₱2,540.0 million at date of acquisition. The current assets acquired composed of cash, receivables, prepayments, and inventories with fair values amounting to ₱20.5 million, ₱14.5 million, ₱0.9 million and ₱39.0 million, respectively at date of acquisition. The noncurrent assets acquired composed of property and equipment, security deposits, and trademarks with fair values amounting to ₱78.0 million, ₱42.0 million and ₱3,208.8 million, respectively at date of acquisition. The liabilities assumed composed of accounts payable and other current liabilities amounting to ₱61.5 million at date of acquisition. The carrying values of the assets and liabilities assumed is the same with its fair value at date of acquisition except for the trademarks with carrying amount of ₱2,467.4 million at date of acquisition.

The fair value of property and equipment was measured using the replacement cost method while the fair value of the trademark was measured using the income approach. The revenue growth and discount rates used to measure the fair value of trademark are 2% and 11%, respectively.

As of December 31, 2022, the fair values of the assets acquired assumed were finalized; no changes from the initial recognition were recognized by the Group.

The goodwill of ₱60.9 million reflects the expected growth in the Group's business and Group management attributes the goodwill to achieving synergies and economies of scale arising from its common processes from its existing operations and contacts with suppliers and other partners to improve cost and efficiency. The goodwill is not deductible for tax purposes.

5. 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 represents payment of subdealers 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-PFRS measures.

The following table shows the reconciliation of the consolidated EBITDA to consolidated net income for the six months ended September 30, 2025 and 2024:

	September 30, 2025	September 30, 2024
Consolidated EBITDA	₱1,715,786,890	₱1,581,368,847
Depreciation and amortization	(743,136,435)	(572,426,522)
Provision for income tax	(54,561,233)	(43,253,820)
Interest expense	(347,969,179)	(295,410,624)
Interest income	(376,694)	350,506
Consolidated net income	₱569,743,349	₱670,628,387

6. Cash and Cash Equivalents

	September 30, 2025	December 31, 2024
Cash on hand	₱87,536,359	₱125,488,014
Cash in banks	733,431,374	1,194,311,478
	₱820,967,733	₱1,319,799,492

Cash in banks earn interest at the respective bank deposit rates. Interest income on cash and cash equivalents amounted to ₱0.4 million and ₱0.3 million for the nine months ended September 30, 2025 and 2024, respectively.

7. Trade and Other Receivables

	September 30, 2025	December 31, 2024
Trade:		
Franchisee	281,237,897	₱670,262,787
Third parties	211,726,409	564,620,395
Related parties	12,522,452	21,214,586
Royalty receivable	61,760,572	79,199,179
Receivable from:		
Franchisees	87,162,046	71,820,924
National Advertising Fund (NAF)	65,900,605	43,210,801
Employees	29,045,917	33,674,196
Others	128,799,191	89,970,323
	878,155,089	1,573,973,191
Less allowance for doubtful account	16,921,712	13,718,140
	861,233,377	₱1,560,255,051

Below are the terms and conditions of the financial assets:

- Trade receivables are non-interest-bearing and are normally collectible within 10 days.
- Royalty receivable is being collected from dealers on the 20th day of the following month.
- Receivable from National Advertising Fund (NAF) pertains to reimbursable advertising and promotion expenses from dealers which will be applied on future dealer remittances.
- 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.

- 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.
- Other receivables consist mainly of receivables from cooperatives and freight charges which are non-interest bearing and generally have 30 to 45 days' term.

The movements of allowance for doubtful accounts are as follows:

	September 30, 2025			December 31, 2024		
	Receivables			Receivable s		
	Trade and Others	from Employees	Total	Trade and Others	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	3,203,572	–	3,203,572	3,878,702	–	3,878,702
Balance at reporting date	₱14,907,434	₱2,014,278	₱16,921,712	₱11,703,862	₱2,014,278	₱13,718,140

8. Inventories

	September 30, 2025	December 31, 2024
At cost -		
Finished goods	₱22,151,526	₱18,698,220
At NRV:		
Merchandise	1,523,733,365	1,678,774,619
Raw materials – food	30,980,288	35,443,589
Raw materials – packaging	24,499,960	26,994,424
	₱1,601,365,139	₱1,759,910,852

Allowance for inventory obsolescence amounted to ₱4.8 million as at September 30, 2025 and December 31, 2024.

9. Prepaid Expenses and Other Current Assets

	September 30, 2025	December 31, 2024
Advances to suppliers	₱426,342,108	₱353,073,156
Prepaid expenses	446,679,904	131,622,574
Input VAT	257,491,388	46,592,363
Prepaid taxes	154,757,939	99,021,443
	₱1,285,271,339	₱630,309,536

Advances to suppliers represent payments for items purchased or goods yet to be delivered or services to be rendered.

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

10. 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	₱249,296,580	₱1,925,859,134	₱1,675,352,318	₱260,492,253	₱44,425,435	₱56,151,847	₱44,937,970	₱42,411,254	₱4,298,926,791
Additions	–	512,344,376	312,466,910	64,011,882	18,430,678	66,387,944	9,694,204	1,594,895	984,930,889
Disposals	–	(67,632,100)	(41,296,573)	–	(1,691,269)	(4,157,082)	(886,655)	(20,651,890)	(136,315,569)
Reclassification	–	(4,201,357)	–	–	–	–	–	–	(4,201,357)
Balance at December 31, 2024	₱249,296,580	₱2,366,370,053	₱1,946,522,655	₱324,504,135	₱61,164,844	₱118,382,709	₱53,745,519	₱23,354,259	₱5,143,340,754
Additions	–	356,791,159	219,516,837	68,105,533	16,175,416	21,402,967	11,011,309	–	693,003,221
Disposals/Reclassifications	(2,543,122)	–	–	–	–	–	–	(12,726,781)	(15,269,903)
Balance at September 30, 2025	₱246,753,458	₱2,723,161,212	₱2,166,039,492	₱392,609,668	₱77,340,260	₱139,785,676	₱64,756,828	₱10,627,478	₱5,821,074,072
Accumulated Depreciation									
Balance at December 31, 2023	₱90,553,515	₱1,027,255,341	₱1,083,909,551	₱155,434,901	₱23,586,116	₱44,116,595	₱40,290,189	₱–	₱2,465,146,208
Depreciation	22,831,813	229,319,476	153,743,947	19,941,758	5,177,836	25,621,528	8,580,242	–	465,216,600
Disposals	(4,233,049)	(58,887,176)	(42,238,169)	–	–	(3,517,491)	(726,651)	–	(109,602,536)
Reclassification	–	2,007,472	–	–	–	–	–	–	2,007,472
Balance at December 31, 2024	₱109,152,279	₱1,199,695,113	₱1,195,415,329	₱175,376,659	₱28,763,952	₱66,220,632	₱48,143,780	₱–	₱2,822,767,744
Depreciation	10,734,432	196,701,688	140,065,861	15,286,509	7,111,152	18,232,225	9,083,261	–	397,215,129
Disposals/Reclassifications	–	(27,745,175)	21,934,034	85,977,985	717,402	4,724,835	(7,048)	–	85,602,032
Balance at September 30, 2025	₱119,886,711	₱1,368,651,626	₱1,357,415,224	₱276,641,153	₱36,592,506	₱89,177,692	₱57,219,993	₱–	₱3,305,584,905
Net Book Value									
Balance at December 31, 2024	₱137,527,516	₱1,166,674,940	₱751,107,326	₱149,127,476	₱32,400,892	₱52,162,077	₱5,601,739	₱23,354,259	₱2,317,956,225
Balance at September 30, 2025	₱126,866,747	₱1,354,509,586	₱808,624,268	₱115,968,515	₱40,747,754	₱50,607,984	₱7,536,835	₱10,627,478	₱2,515,489,167

There are no idle assets as at September 30, 2025 and December 31, 2024. The Group has no property and equipment that are used as collateral for existing loans payable.

11. Intangible Assets

The Group's intangible assets consist of:

	September 30, 2025	December 31, 2024
Goodwill	₱1,324,852,132	₱1,324,852,131
Trademarks	8,792,115,866	8,769,089,243
Software	245,292,574	256,864,190
Franchise right	3,341,389	4,182,376
	₱10,365,601,961	₱10,354,987,940

In 2016, goodwill amounting to ₱1,078.6 million was recognized in connection with its acquisition of BMI while trademarks amounting to ₱4,987.1 million was recognized and treated as acquisition of assets based on relevant accounting standards since such transaction did not qualify as an acquisition of a business.

On April 2, 2019, SPAVI and I-Foods, Inc. (IFI) entered into a purchase agreement (the "Agreement") for the rights, title and interest to the Peri-Peri (P2) Business, including the properties, assets, and rights which are related to or are used in the P2 Business. Such transaction was accounted for as an acquisition of a business and additional goodwill and trademarks amounting to ₱185.5 million and ₱562.2 million were recorded as at the date of acquisition.

P2 Business is a casual and full-service restaurant brand in the Philippines. The restaurant offers variety of food and sauces such as peri-peri chicken, pizza and pasta.

On June 1, 2019 (the acquisition date), SPAVI and WBHI, a newly-incorporated subsidiary, executed a deed of assignment, wherein SPAVI, assigned, transferred and conveyed all its rights under the Agreement, except with respect to SPAVI's rights under the Agreement pertaining to Trademarks, Know-How and Confidential Information, and Intellectual Properties (collectively, the "Intangible Assets") of the P2 Business, to WBHI. Subsequently, WBHI and IFI executed a deed of absolute sale of assets wherein I-Foods sold, transferred and conveyed to WBHI the title, rights, material and physical possession of, and interest in, the assets related to the P2 Business. On the same date, as part of the acquisition of the P2 business, SPAVI acquired 100% ownership of AWIL, which is the owner of the intangible assets relevant to the P2 Business.

On August 24, 2020, the Group entered into a master franchise agreement with Supertea (Int) Pte. Ltd. (Supertea), whereby Supertea granted the Group the following:

- 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 exclusive right and license, subject to the fulfillment of certain conditions, to grant franchisees for R&B Tea Outlet to third parties (Sub-Franchisees) by entering into sub-franchise agreements in the form approved and/or provided by Supertea in writing; and
- the non-exclusive right and license to use the Intellectual Property strictly in connection with the aforesaid.

The license does not include the right to sell, provide or distribute any products or services through channels other than the R&B Outlets, or selected outlets as set out in the master franchise agreement.

The master franchise agreement is effective from August 20, 2020 and continue for the initial term of seven (7) years, unless otherwise terminated or renewed.

On November 17, 2021, the Group executed a deed of assignment with DBE Project, Inc. acquiring the Project Pie Design Build Eat trademark for a consideration of ₱1.2 million.

Increase in trademarks and goodwill as of December 31, 2022 amounting to ₡3,208.8 million and ₡60.85 million, respectively, pertains to the business combination recognition during the year.

12. Right-of-Use Assets and Lease Liabilities

Group as a lessee

The Group has lease contracts for its office spaces and stores. Lease contracts office spaces usually has terms of 20 to 25 years while leases of stores usually has terms of 3 to 15 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

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 this account follows:

	September 30, 2025	December 31, 2024
Cost		
Balance at beginning of year	₱3,184,689,460	₱2,767,508,242
Additions	530,382,517	735,358,017
Pre-terminations	(169,939,300)	(318,176,799)
Balance at end of year	3,545,132,677	3,184,689,460
Accumulated Amortization		
Balance at beginning of year	1,381,053,720	1,226,877,353
Amortization	325,761,042	431,497,900
Pre-terminations	(128,839,611)	(277,321,533)
Balance at end of year	1,577,975,151	1,381,053,720
Net Book Value	₱1,967,157,526	₱1,803,635,740

The rollforward analysis of lease liabilities follows:

	September 30, 2025	December 31, 2024
Balance at beginning of year	₱2,121,756,084	₱1,830,838,499
Additions	530,382,517	689,806,537
Interest expense	117,316,987	123,841,072
Payments	(397,613,053)	(473,742,119)
Pre-terminations	(38,586,434)	(48,987,905)
Balance at end of year	2,333,256,101	2,121,756,084
Current portion of lease liabilities	348,817,826	293,913,746
Lease liabilities -net of current portion	1,984,438,275	₱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:

	Fixed Payments	Variable Payments	Total
Fixed	₱72,556,251	₱—	₱72,556,251
Variable rent with minimum payment	68,460,737	43,301,360	111,762,097
Variable rent only	—	1,393,943	1,393,943
As at September 30, 2025	₱141,016,988	₱44,695,303	₱185,712,291

	Fixed Payments	Variable Payments	Total
Fixed	₱168,457,668	—	₱168,457,668
Variable rent with minimum payment	119,769,526	69,456,924	189,226,450
Variable rent only	—	2,880,040	2,880,040
As of September 30, 2024	₱288,227,194	₱72,336,964	₱360,564,158

13. Accounts Payable and Other Current Liabilities

	September 30, 2025	December 31, 2024
Trade:		
Suppliers	₱664,532,662	₱1,113,279,905
Related parties	106,493,152	150,535,928
Nontrade	144,510,550	248,303,761
Accrued expenses:		
Suppliers	291,714,681	378,641,401
Utilities	27,467,663	39,460,850
Salaries and wages	141,973,392	76,928,151
Customers loyalty	37,622,029	43,636,958
Other payables	296,187,110	161,759,762
	₱1,710,501,239	₱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 reimbursable expenses to officers and employees, payable to contractors 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 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.

Other payables consist of the following:

	September 30, 2025	December 31, 2024
Output VAT	₱223,881,124	₱71,306,989
Customers' deposits	8,858,894	23,412,766
Withholding tax payable	25,878,359	35,159,660
Retention Payable	23,875,418	18,491,714
Fun certificates payable	6,097,932	6,333,130
SSS, Philhealth and Pag-ibig payables	—	2,275,363
Others	7,595,383	4,780,140
	₱296,187,110	₱161,759,762

14. 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.

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 three months ended September 30, 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.

The Group, in the normal course of business, 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 Receivable	Outstanding Balance Payable	Terms	Conditions
Century Pacific Group Inc. (CPGI, Ultimate Parent Company)							
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2025 2024	₱5,976,398 3,883,421	₱3,157,382 3,082,080	₱692,543 1,385,087	30-day; non-interest bearing	Unsecured
<i>Companies with common members of BOD and stockholders as the Group</i>							
The Pacific Meat Company Inc. (PMCI)							
Sales	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	2025 2024	6,634,998 10,221,618	2,267,293 9,689,164	— —	30-day; non-interest bearing	Unsecured; not impaired
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost plus basis	2025 2024	84,096,716 88,351,136	— —	85,204,133 91,707,426	30-day; non-interest bearing	Unsecured
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 2024	— —	1,962,435 —	— —	30-day; non-interest bearing	Unsecured; not impaired
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2025 2024	— —	— —	298,043 —	30-day; non-interest bearing	Unsecured; not impaired
Century Pacific Food Inc. (CPFI)							
Sales	Sale of goods at prices (normally on cost plus basis) mutually agreed upon by both parties	2025 2024	23,805,362 12,590,190	5,135,342 5,818,296	— —	30-day; non-interest bearing	Unsecured; not impaired
Purchases		2025	30,916,298	—	20,298,432		Unsecured

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance		Terms	Conditions
				Receivable	Payable		
	Purchase of raw materials and goods at agreed prices usually on a cost plus basis	2024	17,973,330	—	25,751,388	30-day; non-interest bearing	
		2025	₱151,429,772	₱12,522,452	₱106,493,152		
		2024	133,019,695	20,551,975	118,843,901		

Compensation of Key Management Personnel

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

	For the nine months ended September 30,	
	2025	2024
Salaries	₱32,239,718	₱27,034,018
Pension costs	39,541,709	37,664,932
	₱71,781,427	₱64,698,950

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

15. Short-term Loans Payable

	September 30, 2025	December 31, 2024
Balance at beginning of year	₱1,000,000,000	₱700,000,000
Additions	320,000,000	300,000,000
Balance at end of year	₱1,320,000,000	₱1,000,000,000

As at September 30, 2025, the loan has outstanding amount of ₱1,320.0 million with interest rates ranging from 5.25% to 5.70% per annum. Interest expense pertaining to short-term loans amounting to ₱50.3 million and ₱37.9 million was recognized for the periods ended September 30, 2025 and 2024, respectively.

16. Long-term Loan Payable

Long-term facility loan

On June 8, 2016, the Group 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 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 as at December 31, 2016.

As 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 are made, the Group is required to comply with certain affirmative covenants, unless the Lender shall otherwise give its consent in writing:

- 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 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 Service Coverage Ratio is at least 1.2x. Debt Service Coverage Ratio is as of the date of determination, the ratio of EBITDA less regular dividends and advances to shareholders over Debt Service. For purposes hereof, "EBITDA" means operating profit before interest, taxes, depreciation and amortization, each item determined in accordance with PFRSs, 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 consolidated financial statements. On January 27, 2017, the OLSA was amended to include June 30, 2017 as the commencement date for the testing of the financial covenant ratios.

- d. Within the period required, open and establish the Debt Service Reserve Account (DSRA); and ensure that the funds deposited in the DSRA is at all times maintained in accordance with the agreement. As at September 30, 2025 and December 31, 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 Group or any wholly owned subsidiary of the Group, the Group 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 Group in such wholly-owned subsidiary.

As at September 30, 2025 and December 31, 2024, the Group is in compliance with the 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 years from March 2, 2022 (the value date). The loan has an effective interest rate of 4.3% payable monthly until paid in full.

The loan agreement also contains a prepayment provision which allows the Group to make optional prepayments in the amount of ₱320.0 million on March 2, 2025, ₱8.0 million on March 2, 2026, and a final payment of ₱1,232.0 million on maturity date.

As of March 2, 2025, the loan has a new effective interest rate is 6.3% payable monthly. A portion of the Company's long-term loan was reclassified to short-term. Specifically, ₱320.0 million of the ₱1,600.0 million long-term loan was reclassified to short-term borrowings, reflecting the portion due within the next 12 months in accordance with the loan agreement. This reclassification has been made to appropriately reflect the current maturity profile of the loan in the financial statements.

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

The breakdown of the loan is as follows:

	September 30, 2025	December 31, 2024
BDO loan – principal	₱3,572,934,622	₱3,597,934,622
Less unamortized debt issue costs	5,363,631	5,363,631
BDO loan – net of unamortized debt issue cost	3,567,570,991	3,592,570,991
BPI loan	1,280,000,000	1,600,000,000
Less current portion of long-term loan	47,932,514	47,819,494
Noncurrent portion	₱4,799,638,477	₱5,144,751,497

Interest expense amounting to ₱171.7 million and ₱165.9 million was recognized for the nine months ended September 30, 2025 and 2024, respectively.

19. Equity

Capital Stock

	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	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
August 6, 2021	Over-allotment Option	2,000,000,000	46,000,000	11.26
	Issuance	2,000,000,000	152,439,025	7.93
	Issuance	2,000,000,000	100	8.20

The issued and outstanding shares are held by 40 equity holders as at September 30, 2025 and 43 equity holders as at December 31, 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
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 04, 2025

There is no outstanding dividends payable as at September 30, 2025 and December 31, 2024.

Undistributed earnings of the subsidiaries included in the Group's retained earnings amounting to ₦252.2 million as at September 30, 2025 and ₦186.1 million as at December 31, 2024 are not currently available for dividend distribution.

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 September 30, 2025 and December 31, 2024, respectively.

20. 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 as of September 30, 2025 and December 31, 2024, hence, diluted EPS is the same as the basic EPS.

The Group's EPS were computed as follows:

	For the nine months ended September 30,	
	2025	2024
(a) Net income (loss)	₦569,743,349	₦670,628,388
(b) Weighted average number of shares outstanding	1,683,760,178	1,683,760,178
Basic/ diluted EPS (a/b)	₦0.34	₦0.40

21. Financial Risks Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, AFS investments and loan to a related party. 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 trade and other receivables, rental deposit, accounts payable and other current liabilities arising directly from operations and dividends payable.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and equity price risk on AFS investment. The BOD reviews and approves policies for managing each of these risks and they are summarized below:

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 main risks arising from the Group's financial instruments are credit risk, liquidity risk and equity price risk on AFS investment. The BOD reviews and approves policies for managing each of these risks and they are summarized below:

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:

	September 30, 2025	December 31, 2024
Cash*	₱733,431,374	₱1,194,311,478
Trade and other receivables	861,233,377	1,560,255,051
Rental and other deposits	491,704,061	398,236,335
Financial assets at FVOCI	26,000,000	26,000,000
Total credit risk exposure	₱2,112,368,812	₱3,178,802,864

*Excluding cash on hand.

An aging analysis of financial assets per class are as follows:

	September 30, 2025						
	Neither Past Due		Past Due but not Impaired			Expected Credit Loss	Total
	nor Impaired	1-180 Days	Over 181 days	Subtotal			
Cash*	733,431,374	₱-	₱-	₱-	₱-	₱-	733,431,374
Trade and other receivables	549,294,648	300,225,955	11,712,774	311,938,729	18,756,315	879,989,692	
Rental and other deposits	399,558,720	-	92,145,341	92,145,341	3,297,293	495,001,354	
Financial assets at FVOCI	26,000,000	-	-	-	-	-	26,000,000
	1,708,284,742	300,225,955	103,858,115	404,084,070	₱22,053,608	₱2,134,422,420	

*Excluding cash on hand.

	December 31, 2024						
	Neither Past Due		Past Due but not Impaired			Expected Credit Loss	Total
	nor Impaired	1-180 Days	Over 181 days	Subtotal			
Cash*	₱1,194,311,478	₱-	₱-	₱-	₱-	₱1,194,311,478	
Trade and other receivables	1,192,452,224	356,893,179	10,909,648	367,802,827	13,718,140	1,573,973,191	
Rental and other deposits	314,139,484	-	80,799,558	80,799,558	3,297,293	398,236,335	
Financial assets at FVOCI	26,000,000	-	-	-	-	-	26,000,000
	₱2,726,903,186	₱356,893,179	₱91,709,206	₱448,602,385	₱17,015,433	₱3,192,521,004	

*Excluding cash on hand.

A financial asset is considered past due when a counterparty has failed to make a payment when contractually due. "Past due but not impaired" financial assets are items with history of frequent default. Nevertheless, the amounts due are still collectible. Lastly, "Impaired" items are those that are long outstanding and have been specifically identified as impaired.

The tables below show the credit quality of the Group's neither past due nor impaired financial assets based on their historical experience with the corresponding debtors:

	September 30, 2025			
	High grade	Medium grade	Standard grade	Total
Cash*	₱733,431,374	₱—	₱—	₱733,431,374
Trade and other receivables	306,082,342	311,938,729	242,212,306	861,233,377
Rental and other deposits	58,906,147	—	432,797,914	491,704,061
Financial assets at FVOCI	26,000,000	—	—	26,000,000
	₱1,124,419,863	₱311,938,729	₱676,010,220	₱2,112,368,812

*Excluding cash on hand.

	December 31, 2024			
	High grade	Medium grade	Standard grade	Total
Cash*	₱1,194,311,478	₱—	₱—	₱1,194,311,478
Trade and other receivables	309,371,151	459,139,069	791,744,831	1,560,255,051
Rental and other noncurrent assets	15,356,830	—	379,582,212	394,939,042
Financial assets at FVOCI	26,000,000	—	—	26,000,000
	₱1,545,039,459	₱459,139,069	₱1,171,327,043	₱3,175,505,571

*Excluding cash on hand.

Financial assets classified as “high grade” are those cash and cash equivalents transacted with reputable local banks and financial assets with no history of default on the agreed contract terms while “medium grade” includes those financial assets being collected on due dates with an effort of collection. Financial instruments classified as “standard grade” are those financial assets with little history of default on the agreed terms of the contract.

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 tables below summarize the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments. The tables also analyze the maturity profile of the Group’s financial assets in order to provide a complete view of the Group’s contractual commitments and liquidity.

	September 30, 2025					
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Cash	733,431,374	—	—	—	—	733,431,374
Trade and other receivables	526,041,347	263,192,920	45,645,369	18,430,394	7,923,347	861,233,377
Rental and other deposits	399,558,720	—	—	—	92,145,341	491,704,061
Financial assets at FVOCI	26,000,000	—	—	—	—	26,000,000
	1,685,031,441	263,192,920	45,645,369	18,430,394	100,068,688	2,112,368,812
Accounts payable and other current liabilities:						
Trade payables	—	771,025,813	—	—	—	771,025,813
Nontrade payables	—	144,510,550	—	—	—	144,510,550
Accrued expenses	—	498,777,765	—	—	—	498,777,765
Other payables*	—	46,427,628	—	—	—	46,427,628
Dealers’ deposit and other noncurrent payables	—	—	—	—	292,686,288	292,686,288
Long-term loans payable**	47,932,514	—	—	—	4,799,638,477	4,847,570,991
	47,932,514	1,460,741,756	—	—	5,092,324,765	6,600,999,035
Liquidity gap	1,637,098,927	(1,197,548,836)	45,645,369	18,430,394	(4,992,256,077)	(4,488,630,223)

*Excluding statutory payables.

**Including future interest payments.

	December 31, 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 and other deposits	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	—	301,027,152	—	—	—	301,027,152
Accrued expenses	—	538,667,360	—	—	—	538,667,360
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 Liability	—	—	—	589,572,083	2,495,567,534	3,085,139,617
	₱—	₱2,156,528,096	₱—	₱1,604,900,225	₱8,474,981,884	₱12,236,410,205
Liquidity gap	₱2,852,391,201	(₱1,885,901,733)	₱66,946,969	(₱1,599,298,519)	(₱8,639,554,538)	(₱8,935,416,620)

*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 others 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 adjust the dividend payment to stockholders, return capital to stockholders or issue new shares.

The Group's debt-to-equity ratios is as follows:

	September 30, 2025	December 31, 2024
Total liabilities	₱11,263,762,300	11,521,795,766
Total equity	₱9,053,615,351	8,853,725,783
	1.24:1	1.30 :1

22. 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, 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 Group's financial instruments other than those described above:

As at September 30, 2025

	Date of Valuation	Carrying Value	Fair Value	
			Level 1 Quoted	Level 2 Significant Observable Input
Assets for which fair values are disclosed -				
Rental deposits	September 30, 2025	₱477,539,560	₱-	₱355,193,641
Liabilities for which fair values are disclosed:				
Long-term loans payable	September 30, 2025	4,847,570,991	-	4,143,017,869
Dealers' deposits	September 30, 2025	200,241,348	-	148,939,396
		₱5,047,812,339	₱-	₱4,291,957,265

As at December 31, 2024

	Date of Valuation	Carrying Value	Fair Value	
			Level 1 Quoted	Level 2 Significant Observable Input
Assets for which fair values are disclosed -				
Rental deposits	December 31, 2024	₱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	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 1.59% to 8.56% as at September 30, 2025 and December 31, 2024.

Long-term loans Payable. The fair value of loan payable which was discounted using prevailing market rate of 5.99% as at September 30, 2025 and December 31, 2024 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 6.10% as at September 30, 2025 and December 31, 2024.

As at September 30, 2025 and December 31, 2024, there were no transfers between Level 1 and 2 fair value measurements.