



Amended Notice of Annual Stockholders' Meeting

Notice is hereby given that the Annual Stockholders Meeting will be held on **Thursday, June 20, 2024** at 8:30 in the morning.

The agenda for the said meeting shall be as follows:

1. Call to Order
2. Secretary's Proof of Due Notice of the Meeting and Determination of Quorum
3. Approval of the Minutes of the Stockholders' Meeting held on June 20, 2023
4. Management's Report
5. Ratification of Acts of the Board of Directors and Management During the Previous Year
6. Election of Directors (including Independent Directors)
7. Appointment of External Auditor
8. Approval of the Amendment of the Amended By-laws to (i) adjust the notice period and (ii) formally authorize stockholders to vote through remote communication or in absentia in accordance with the Revised Corporate Code
9. Other Matters
10. Adjournment

A brief explanation of the agenda item which requires stockholders' approval is provided herein. The Information Statement, Management Report, SEC Form 17A will be uploaded to the Corporation's website <https://www.shakeysgroup.ph/> and PSE EDGE.

The record date for the determination of the shareholders entitled to vote at said meeting is on **May 2, 2024**.

Stockholders may attend the meeting and vote via remote communication only.

Stockholders should pre-register at this link:

<https://www.shakeysgroup.ph/ir/register> from **May 25, 2024 to May 29, 2024**.

Upon registration, Stockholders shall be asked to provide the information and upload the documents listed below (the file size should be no larger than 5MB):

A. For individual Stockholders:

1. Email address
2. First and Last Name
3. Address
4. Mobile Number
5. Current photograph of the Stockholder, with the face fully visible
6. Stock Certificate Number and number of shares held by the stockholder
7. Valid government-issued ID
8. For Stockholders with joint accounts: A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account

B. For corporate/organizational Stockholders:

1. Email address
2. Name of stockholder
3. Address
4. Mobile Number
5. Phone Number
6. Stock certificate number and number of shares held by the stockholder
7. Current photograph of the individual authorized to cast the vote for the account (the "Authorized Voter")
8. Valid government-issued ID of the Authorized Voter
9. A scanned copy of the Secretary's Certificate or other valid authorization in favor of the Authorized Voter

Stockholders who will join by proxy shall download, fill out and sign the proxy found in <https://www.shakeysgroup.ph/ir/register>. Deadline to submit proxy forms is **on June 7, 2024**.

All registrations shall be validated by the Corporate Secretary in coordination with the Stock Agent. Successful registrants will receive an electronic invitation via email with a complete guide on how to join the meeting and how to cast votes.

Only stockholders of record as of the close of business on **May 2, 2024** are entitled to notice and to vote at the meeting.



MARIA ROSARIO L. YBANEZ
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

Proof of notice and determination of quorum

The Company has established a designated website in order to facilitate the registration of and voting in absentia by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code. A stockholder or member who participates through remote communication and votes by proxy shall be deemed present for purposes of quorum.

The Corporate Secretary will certify the date the notice of the meeting was published as required by the Securities and Exchange Commission Notice on Alternative Mode of Distributing and Providing Copies of the Notice, Information Statement, Management Report, SEC Form 17-A dated April 15, 2024.

The Corporate Secretary will further certify the existence of a quorum. For purposes of quorum, only the following Stockholders shall be counted as present:

- A. Stockholders who have registered and voted on the website on or before the cut-off date;
- B. Stockholders who have sent their proxies via the website on or before the deadline.

A majority of the outstanding capital stock shall constitute a quorum for the transaction of business.

The complete guidelines for voting in absentia are found on the Attached Appendix 1.

Approval of minutes of previous meeting

The minutes of the meeting held on June 20, 2023 are posted at the company website, <https://www.shakeysgroup.ph/>

Annual report

The President and CEO, Mr. Vicente L. Gregorio, will deliver a report to the stockholders on the performance of the company in 2023 and the outlook for 2024. The financial statements as of December 31, 2023 (FS) will be incorporated in the Information Statement.

Copies of the Management Report and SEC Form 17-A will be uploaded to the Company's Website at <https://www.shakeysgroup.ph/> and PSE EDGE under Shakey's Pizza Asia Ventures Inc. Company Disclosures.

Election of directors (including the independent directors)

Each stockholder entitled to vote may cast the votes to which the number of shares he owns entitles him, for as many persons as there are to be elected as directors, or he may give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected. The nine nominees receiving the highest number of votes will be declared elected as directors of the company.

Please refer to the attached Appendix 1 for the complete guidelines on voting. Please refer to the attached Appendices 4, 5, and 6 for the Independent Director Nominees' Certifications.

Approval of the Amendment of the Amended By-laws to (i) adjust the notice period and (ii) formally authorize stockholders to vote through remote communication or in absentia, in accordance with the Revised Corporation Code.

Stockholders' approval/ratification is being sought for the amendment of Article V Section 5.03 and Article V Section 5.06 of the Amended By-laws of the Company as follows:

Section	Current Provision	Proposed Amendment
5.03	<p>Notice of Meetings –</p> <p>Notice of meetings shall be given either by mail or by delivering the same to each stockholder of record in person not less than ten (10) days prior to the date set for such meeting. Stockholders shall furnish the Secretary with the address at which the notice of meeting and all other corporate notices may be served or mailed to him at last known post office address. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called.</p> <p>When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.</p>	<p>Notice of Meetings –</p> <p>Notices for the meetings shall be sent by the Secretary by personal delivery, by mail or electronic message at least <u>twenty-one (21) days</u> for regular and special meetings, <u>or such number of days as may be required under relevant rules and regulations.</u> prior to the date of the meeting, <u>to</u> each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose for which the meeting is called.</p> <p>When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.</p>
5.06	<p>Voting – The stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly appointed as herein provided. The vote at election of Directors shall be by ballot unless all the stockholders, present in person or by proxy, shall agree to a viva voce vote.</p> <p>xxx</p>	<p>Voting – The stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly appointed as herein provided. The vote at election of Directors shall be by ballot unless all the stockholders, present in person or by proxy, shall agree to a viva voce vote.</p> <p><u>Stockholders may also vote via remote communication or in absentia, in which case they shall be deemed present for purposes of quorum. Provided, however, that the votes are received by the Secretary before the Corporation finishes the tally of votes.</u></p> <p>xxx</p>

The above revisions are being proposed to align the Corporation's Amended By-laws with Section 49 of the Revised Corporate Code.

Election of external auditor and fixing of its remuneration

The profile of the external auditor will be provided in the Information Statement for examination by the stockholders.

A resolution for the election of the external auditor will be presented to the stockholders for adoption by the affirmative vote of stockholders representing a majority of the voting stock present at the meeting.

Consideration of such other business as may properly come before the meeting

The Chairman will answer questions on matters concerning the Agenda, the Information Statement and the Management Report sent via the voting website.

PROXY

The undersigned stockholder of **SHAKEY'S PIZZA ASIA VENTURES INC.** (the "Company") hereby appoints the Chairman, Christopher Paulus Nicholas T. Po, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on June 20, 2024 and at any of the adjournments thereof for the purpose of acting on the following matters:

- | | |
|--|---|
| 1. Approval of minutes of previous meeting
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | 5. Election of SGV & Co. as the independent auditor and fixing of its remuneration
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain |
| 2. Annual Report
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | 6. Amendment of Article V Section 5.03 and Article V Section 5.06 of the Amended By-laws of the Company
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain |
| 3. Ratification of the acts of the Board of Directors and Officers
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | 7. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting
<input type="checkbox"/> Yes <input type="checkbox"/> No |

8. Election of Directors

No. of Votes

Christopher Paulus
Nicholas T. Po

Ricardo Gabriel T. Po

Teodoro Alexander T. Po

Leonardo Arthur T. Po

Vicente L. Gregorio

Lance Y. Gokongwei

PRINTED NAME OF STOCKHOLDER

NUMBER OF SHARES

Independent Directors:

Paulo L. Campos, III

Fernan Victor P. Lukban

Frances J. Yu

SIGNATURE OF STOCKHOLDER/
AUTHORIZED SIGNATORY

DATE

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **5:00PM ON June 7, 2024** via <https://www.shakeysgroup.ph/ir/register>. A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY THE CHAIRMAN.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.



CERTIFICATE

I, **MARIA ROSARIO L. YBANEZ**, of legal age, Filipino, with office address at the 7th Floor Centerpoint Building, Julia Vargas Avenue corner Garnet Road, Ortigas Center, Pasig City, hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of Shakey's Pizza Asia Ventures Inc. (the "Corporation") with principal office address at 15Km East Service Road corner Marian Road 2, Barangay San Martin de Porres, Paranaque City.
2. There are no directors, independent directors or officers of the Corporation who are currently appointed in any government agency or is an employee of any government agency.


MARIA ROSARIO L. YBANEZ
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS
INFORMATION STATEMENT OF SHAKEY'S PIZZA ASIA VENTURES INC.
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
☐ Preliminary Information Statement
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter: **Shakey's Pizza Asia Ventures Inc.**
3. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: **54666**
5. BIR Tax Identification Code: **000-163-396**
6. **15 Km East Service Rd., Brgy. San Martin De Porres, Parañaque City** **1700**
Address of principal office Postal Code
7. Registrant's telephone number, including area code: **(632) 8742-5397**
8. Date, time and place of the meeting of security holders

Date : June 20, 2024
Time : 8:30 AM

Via Remote communication
Stockholders should pre-register at this link:
<https://www.shakeysgroup.ph/ir/register> from **May 25, 2024 to May 29, 2024**
- (a) 9. Approximate date on which the Information Statement is first to be sent or given to security holders: **on or before May 23 and 24, 2024 through publication in two (2) newspapers of general circulation**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock
Common Shares	1,683,760,178

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

Yes / No

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

Main Board of The Philippine Stock Exchange, Inc., Common Shares

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A. GENERAL INFORMATION

Item 1. *Date, Time and Place of Meeting of Security Holders.*

(b) Date, Time, and Place of Meeting:

Date: June 20, 2024
Time: 8:30 AM

(c) Online web addresses/URLs

- For participation by remote communication:
- <https://www.shakeysgroup.ph/ir/register>
- For voting *in absentia*:
- <https://www.shakeysgroup.ph/ir/register>

(d) Complete Mailing Address of Principal Office:

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

Approximate date when the Information Statement is first to be sent to security holders:
May 23 and 24, 2024 through publication on the Company's website and two newspapers of general circulation.

Item 2. *Dissenters' Right of Appraisal*

Under Section 80, Title X of the Revised Corporation Code of the Philippines ("Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

No matters or actions that may give rise to a possible exercise by stockholders of their appraisal rights will be taken up at the meeting.

Item 3. *Interest of Certain Persons in or Opposition to Matters to be Acted Upon*

No director, nominee for election as director, associate of the nominee, or executive officer of the Company at any time since the beginning of the last fiscal year has had any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

None of the incumbent directors has informed the Company in writing of an intention to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. *Voting Securities and Principal Holders Thereof:*

(a) Voting Securities:

Number of Shares Outstanding as of March 31, 2024: 1,683,760,178 Common Shares
Number of Votes entitled: One (1) vote per share

(b) Record Date:

All stockholders of record at the close of business on May 2, 2024 are entitled to notice and to vote at the Annual Stockholders' Meeting.

(c) Election of Directors and Voting Rights

Each stockholder may vote such number of shares for as many persons as there are directors to be elected. To be clear, if there are nine (9) directors to be elected, each voting share is entitled to nine (9) votes. The stockholder may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

See Appendix 1 on complete guidelines on voting.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of March 31, 2024, 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, Vice Chairman Christopher T. Po, Chairman Teodoro Alexander T. Po, Vice Chairman Leonardo T. Po, Director	Filipino	1,045,015,561	62.06%*
Common	PCD Nominee Corp. (Non- Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	Please see PDTC Report as of March 31, 2024 attached as Appendix 2.	Non-Filipino	150,404,771	8.9%

Common	PCD Nominee Corp. (Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	Please see PDTC Report as of March 31, 2024 attached as Appendix 2.	Filipino	638,235,144	37.90%
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* Century Pacific Group, Inc. owns 836,445,141 shares of the Company in its own name and another 208,570,420 shares of the Company lodged under PCD Nominee Corp. (Filipino).

There are no voting trust shares or shares issued pursuant to a Voting Trust Agreement registered with the Company nor has there been any change in control of the Company. The Company is also not aware of any contractual arrangement or otherwise between its shareholders and/or third parties, which may result in change in control.

(2) 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, and nominees for election as director as of March 31, 2024:

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Beneficial Ownership	
			Direct shares	Indirect shares
Common	Ricardo Gabriel T. Po	Filipino	1	2,574,544
Common	Teodoro Alexander T. Po	Filipino	1	347,480,339
Common	Christopher T. Po	Filipino	1	347,480,339
Common	Leonardo Arthur T. Po	Filipino	1	347,480,339
Common	Vicente L. Gregorio	Filipino	2,641,989	-
Common	Fernan Victor P. Lukban	Filipino	95,001	-
Common	Paulo L. Campos III	Filipino	1	89,000
Common	Frances J. Yu	Filipino	1	-
Common	Lance Y. Gokongwei	Filipino	100	-
Common	Jose Arnold T. Alvero	Filipino	75,555	-
Common	Alois Brielbeck	Filipino	359,600	-
Common	Kellda M. Centeno	Filipino	-	-
Common	Jorge Maria Q. Concepcion	American and Filipino	649,245	-
Common	Manuel T. Del Barrio	Filipino	210,342	-
Common	Darel G. Pallesco	Filipino	-	-
Common	Maria Elma C. Santos	Filipino	-	-
Common	Oliver Angelo C. Sicam	Filipino	5,200	-
Common	Yiow Leong Tan	Singaporean	-	-
Common	Gilbert L. Tolentino	Filipino	-	-
Common	Rommel Turbanos	Filipino	-	-
Common	Myrose April C. Victor	Filipino	5,000	-
Common	Maria Rosario L. Ybanez	Filipino	-	-
TOTAL			4,042,038	1,045,104,561

Item 5. *Directors and Executive Officers*

(1) Directors and 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 (9) members, of whom three (3) are independent directors.

The table below sets forth each member of the board of directors as of March 31, 2024:

Name	Age	Nationality	Position
Christopher T. Po	53	Filipino	Chairman
Ricardo Gabriel T. Po	56	Filipino	Vice Chairman
Teodoro Alexander T. Po	54	Filipino	Vice Chairman
Leonardo Arthur T. Po	46	Filipino	Member
Paulo L. Campos III	40	Filipino	Independent Director
Vicente L. Gregorio	58	Filipino	Member
Lance Y. Gokongwei	57	Filipino	Director
Fernan Victor P. Lukban	63	Filipino	Independent Director
Frances J. Yu	54	Filipino	Independent Director

Christopher T. Po (first elected October 5, 2016) was re-elected as the Company's Chairman on June 20, 2023. He concurrently serves as the Executive Chairman of Century Pacific Food, Inc (CPFI) 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, Jr. (first elected October 5, 2016) was re-elected as the Company's Vice Chairman on June 20, 2023. He concurrently serves as Vice Chairman of Century Pacific Food, Inc. (CPFI) 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 June 20, 2023. He concurrently serves as Vice Chairman, President and Chief Executive Officer of Century Pacific Food, Inc.(CPFI). 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 June 20, 2023 and concurrently serves as the Director and Treasurer of Century Pacific Food, Inc. (CPFI) 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.

Paulo L. Campos III, (first elected October 14, 2016) was re-elected as the Company's director on June 20, 2023. Mr. Campos is the Founding Managing General Partner of Kaya Founders, an early stage venture capital firm that invests in the next generation of high impact entrepreneurs in the Philippines and across Southeast Asia. The fund has over a billion pesos in assets under management and has made over 40 investments to date in startups ranging from e-commerce, logistics, healthcare, fintech, B2B SaaS, and a number of other technology sectors. Paulo is also the Co-Founder of ZALORA Philippines, having founded the company in late-2011 after seeing the opportunity to take advantage of the emerging e-commerce industry in the country. He was the CEO of the business for over a decade until late-2021 - including during the strategic investment by the Ayala group of companies in 2016 and the IPO of its parent company on the Frankfurt Stock Exchange in July 2019 - and currently serves on its Board of Directors. He also serves on the Board of Shakey's Pizza Asia Ventures Inc and on the Advisory Board of the social enterprise Generation HOPE, and he plays an active role in a number of other advocacies and socio-civic organizations promoting the economic development of the Philippines. Paulo holds an MBA from Harvard Business School and graduated *magna cum laude* from Princeton University with a degree from the Princeton School of Public and International Affairs.

Vicente L. Gregorio, (first elected October 5, 2016) was re-elected as the Company's director on June 20, 2023. 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. Vicente 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 June 20, 2021) was re-elected as the Company's Director on June 20, 2023. Mr. Gokongwei is the President and Chief Executive Officer of JG Summit Holdings Inc., and the Chairman of Cebu Air, Inc., Universal Robina Corporation, Robinsons Retail Holdings, Inc., and JG Summit Olefins Corporation. Effective January 8, 2024, he became the Chairman, President, and Chief Executive Officer of Robinsons Land Corporation. He is a Director and a Vice Chairman of the Executive Committee of Manila Electric Company. He is also a Director of RL Commercial REIT, Inc., Altus Property Ventures, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, AB Capital and Investment Corporation, and Endeavor Acquisition Corporation. He is a Trustee and the Chairman of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Fernan Victor P. Lukban, (first elected October 14, 2016) was re-elected as the Company's Lead Independent Director on June 20, 2023. He concurrently serves as a Director of Central Azucarera de Tarlac, Inc. (CAT). He is a highly regarded consultant in family business, strategy, entrepreneurship, and governance. He is active in Base of the Pyramid initiatives all over the Philippines and helps professionalize Boards throughout the country. He holds undergraduate degrees in engineering (Industrial Management - Mechanical from De La Salle University, Manila) and graduate degrees in economics (MSc in Industrial Economics from the Center for Research & Communication, now University of Asia & the Pacific) and in business (MBA from IESE Barcelona, Spain). He spent much of his early professional years in academia, helping establish the University of Asia & the Pacific where he currently participates as a consultant, mentor, and guest lecturer. He is a founding fellow of the Institute of Corporate Directors.

Frances J. Yu, (first elected August 16, 2018) was re-elected as the Company's Independent Director on June 20, 2023. 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 following table summarizes the directorships held by members of the Company's board of directors in companies listed in the PSE.

Name	Listed Company	Type of Directorship
Christopher T. Po	Century Pacific Food, Inc. Arthaland Corporation	Executive Non-Executive
Ricardo Gabriel T. Po	Century Pacific Food, Inc. Arthaland Corporation IP E-Game Ventures Inc.	Non-Executive Non-Executive Non-Executive
Teodoro Alexander T. Po	Century Pacific Food, Inc.	Non-Executive
Leonardo Arthur T. Po	Century Pacific Food, Inc.	Non-Executive
Vicente L. Gregorio	N/A	N/A
Lance Y. Gokongwei	JG Holdings Inc. Universal Robina Corp. Robinsons Retail Holdings, Inc. Robinsons Land Corporation Altus Property Ventures, Inc. Cebu Air, Inc. Manila Electric Company Oriental Petroleum and Minerals Corporation	Executive
Fernan Victor P. Lukban	Central Azucarera de Tarlac, Inc.	Non-Executive
Paulo L. Campos III	N/A	N/A
Frances J. Yu	Century Pacific Food, Inc.	Independent

The table below sets forth the key executive and corporate officers as of March 31, 2024:

Name	Age	Nationality	Position
Jose Arnold T. Alvero	61	Filipino	Chief Operating Officer and Business Unit Head of Potato Corner
Alois Brielbeck	63	German	General Manager (commissary)
Kellda M. Centeno	39	Filipino	Group Director for Digital, Loyalty and Delivery
Jorge Maria Q. Concepcion	68	American and Filipino	Shakey's Chief Operating Officer
Manuel T. Del Barrio	60	Filipino	Vice-President and Chief Financial Officer
Vicente L. Gregorio	58	Filipino	President and Chief Executive Officer
Darel G. Pallesco	38	Filipino	Chief Audit Executive
Leonardo Arthur T. Po	46	Filipino	Treasurer
Maria Elma C. Santos	46	Filipino	Chief Human Resources Officer
Oliver Angelo C. Sicam	45	Filipino	Group Director for Marketing
Gilbert L. Tolentino	53	Filipino	Corporate Business Development Head
Rommel Turbanos	53	Filipino	Peri Peri General Manager
Yiow L. Tan	50	Singaporean	Group Director for International
Myrose April C. Victor	40	Filipino	Investor Relations Head
Maria Rosario L. Ybanez	48	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 June 20, 2023. . 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 GM 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. Previous 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 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. Jose is a graduate of the University of the Philippines where he finished a B.S. Hotel and Restaurant degree, cum laude.

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.

Kellda M. Centeno, was re-appointed as the Corporation's Group Director for Digital, Loyalty and Delivery on June 20, 2023. Ms. Centeno joined Shakey's in March 2020 as the Delivery Business Unit Head providing leadership in all aspects of the Shakey's Delivery Business Unit. Ms. Centeno

served as Chief Operating Officer of Storm Technologies prior to joining SPAVI 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, was appointed as Shakey's Chief Operating Officer on December 28, 2023. He has been the Company's General Manager since his repatriation from the US 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. (US 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 US 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.

Manuel T. Del Barrio, was re-appointed Vice-President and Chief Financial Officer on June 20, 2023 and has been Vice-President and Chief Financial Officer since March 31, 2016. He concurrently holds the position of Chief Risk Officer and Compliance Officer of the Company. He was previously the Assistant Vice-President for Finance of Century Pacific Food, Inc. and The Pacific Meat Company, Inc. He previously worked as an Industrial Accounting Manager in TEMIC Telefunken Semiconductors, Inc. and held accounting positions in Hooven Philippines and Sanara, Inc. He has a degree in Bachelor of Science in Business Administration from the University of the East, and holds a Master in Business Administration (Regis Program) from the School of Business of the Ateneo de Manila University. He is a Certified Public Accountant and a Certified Management Accountant.

Darel G. Pallesco, was re-appointed as the Corporation's Chief Audit Executive on June 20, 2023. He is the Corporation's Chief Audit Executive. 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 though 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, a Certified Public Accountant (CPA) and a Certified Internal Auditor (CIA).

Maria Elma C. Santos, was appointed as the Corporation's Chief Human Resources Officer on June 30, 2023. She served as the Corporation's General Manager for Peri Peri Business Unit from April 17, 2023 to June 30, 2023. Ms. Santos was previously Shakey's Guest Engagement Director in 2015, General Manager of Project Pie from 2016 to 2017, Shakey's Delivery Systems Head and headed the HR Division of Shakey's until mid-2019. She earned her Master's degree in Business Administration from the Ateneo-Regis Program.

Oliver Angelo C. Sicam was appointed as the Company's Group Director for Marketing on June 20, 2023. Mr. Sicam has built his expertise in Market Development, Brand and Category Strategy, Brand Communication & Innovation, Developing and Emerging Markets from various industries and geography. Before joining SPAVI, he pursued and deepened his experience in the social impact space, as the Managing Director of GenerationHope, Inc. wherein he oversees the Sales, Marketing, Operations, Accounting and HR functions. He was also the Marketing & Strategy

Director for Plastic Credit Exchange, the 1st 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 appointed as the Company's Group Director for International on June 20, 2023. Mr. Tan has more than 25 years of transnational experience in Business Development, Market Development, and Investment & Asset Management. Before joining SPAVI, 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 US Fortune 500 company that operates quick service restaurants including KFC, Pizza Hut and Taco Bell. His last post is 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 where he finished a Bachelor of Science in Economics in London School of Economics and Political Science and earned a Master of Science in Economics in the same school.

Gilbert L. Tolentino, was re-appointed as the Company's Corporate Business Development Head on June 30, 2023. Mr. Tolentino has 33 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 PIZZA for 15 years.

Rommel Turbanos, was appointed as the Corporation's Peri Peri General Manager and Head of Emerging Business on June 30, 2023. Mr. Turbanos joined Shakey's in 2021 as Director for Systems and Operations as he handles Supercard (Special Projects) and CBU Operations. He has been instrumental in improving labor cost and food cost, beautification of stores and service standards enhancement of Shakey's CBU. He also improved career development in CBU through the RSDP2 and RSDP3 Program. He served as the Vice President for Operations for Bistro Group of Restaurant Concepts for nine (9) years prior to joining SPAVI and has thirty-five (35) years of leadership roles in various companies. He graduated with a Bachelor's Degree in BS Computer Engineering in AMA Computer College and attended International Correspondence School with a degree in Marketing Management.

Myrose April C. Victor, was re-appointed as the Company's Investor Relations Head on June 20, 2023. Ms. Victor has 16 years of work experience in the Finance, Accounting, Corporate Planning, Systems Implementation and General Management functions in different industries such as food retail, banking and energy. Prior to joining CPFI, Ms. Victor was the Head of Finance for DOLE's Packaged Division, handling the functions of Finance Planning and Controllership for the Philippines and Other Distributor Markets. Ms. Victor also handled various roles on general and finance management and led transformation and turnaround projects for companies in the food, energy and banking industries. Ms. Victor graduated as magna cum laude in 2005 from the University of the Philippines with a degree in BS Business Administration and Accountancy. Ms. Victor also completed her Global Master in Finance from IE Business School in 2019.

Maria Rosario L. Ybanez, was re-elected as the Company's Corporate Secretary on June 20, 2023. 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.

(2) Significant Employees

Other than the key executive and corporate officers indicated above, there are no other employees whose functions are expected to make a significant contribution to the business.

(3) Nomination of Directors

The Company's Nomination Committee pre-screened and accepted the nominations for the following directors in accordance with the criteria provided in the SRC, the Company's Manual of Corporate Governance and the Company's By-Laws:

1. Ricardo Gabriel T. Po
2. Christopher T. Po
3. Teodoro Alexander T. Po
4. Leonardo Arthur T. Po
5. Vicente L. Gregorio
6. Lance Y. Gokongwei
7. Fernan Victor P. Lukban, Independent
8. Paulo L. Campos III, Independent
9. Frances J. Yu, Independent

Messrs. Lukban, Campos and Gokongwei, and Ms. Yu were nominated by Christopher T. Po. Messrs. Lukban, Campos, and Gokongwei and Ms. Yu are neither related to Mr. Po nor to each other. Messrs. Lukban and Campos and Ms. Yu's Certifications of Independent Director are attached as Appendices 4, 5 and 6 respectively.

Once elected, the directors will hold office upon election until the next annual election and until his/her successor is duly elected, unless he/she resigns, dies or is removed from office.

(4) 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 March 31, 2024.

(5) 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 or 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.

(6) 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 March 31, 2024, Century Pacific Group, Inc. holds 1,045,051,561 common shares 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) 20-year lease agreement with CPGI on a property in Taguig City, Metro Manila where BMI's new corporate headquarters and commissary plant were constructed
- b) Purchase of raw materials from Century Pacific Food, Inc. (CNPF)
- 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 CNPF

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.

A summary of the Company's transactions and outstanding balances with related parties as at and for the period ended December 31, 2023 is set out below:

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance		Terms	Conditions
				Receivable (see Note 9)	Payable (see Note 18)		
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	2023	₱7,766,842	₱3,082,080	₱-	30-day; non-interest bearing	Unsecured; not impaired
		2022	8,489,353	3,082,080	-		
		2021	7,685,937	2,389,537	-		
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	2023	8,587,176	5,400,644	-	30-day; non-interest bearing	Unsecured; not impaired
		2022	17,898,896	9,693,410	-		
		2021	17,510,534	14,349,478	-		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2023	241,786,131	-	142,402,642	30-day; non-interest bearing	Unsecured
		2022	248,948,140	-	121,785,346		
		2021	130,969,714	-	51,919,361		
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	2023	-	-	-	30-day; non-interest bearing	Unsecured; not impaired
		2022	-	2,778,786	-		
		2021	99,814	2,778,786	-		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2023	-	-	-	30-day; non-interest bearing	Unsecured
		2022	-	-	293,488		
		2021	1,392,369	-	293,488		
Century Pacific Food, Inc. (CPFI)							
Sales	Sale of goods at prices (normally on cost-plus basis) mutually agreed upon by both parties	2023	₱26,857,813	₱9,975,859	₱-	30-day; non-interest bearing	Unsecured; not impaired
		2022	20,536,620	9,359,643	-		
		2021	22,184,403	6,410,531	-		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2023	15,232,070	-	9,297,624	30-day; non-interest bearing	Unsecured
		2022	29,380,586	-	4,969,147		
		2021	19,680,597	-	9,051,507		
				₱18,458,583	₱151,700,266		
				24,913,919	127,047,981		

See note 19 of the 2023 Audited Financial Statement attached herein as Appendix 7.

The outstanding balances as of December 31, 2023 are as follows:

Amounts in Php	As of December 31, 2023
Due from related parties	18,458,583
Due to related parties	151,700,266

The Company or its related parties have no material transaction with parties that fall outside the definition “related parties” under SFA/IAS No. 24 that are not available for other, more clearly independent parties on an arm’s length basis

Item 6. Compensation of Directors and Executive Officers

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 the compensation, allowances, fees and fringe benefits to its directors and officers.

(a) Summary Compensation Table

CEO and five other most highly compensated executive officers

Name	Principal Position	Year	Salary	Bonus	Other Compensation
Vicente L. Gregorio	President & CEO	2023	₱69,721,315		
Alois Brielbeck	General Manager – BMI				
Jorge Maria Q. Concepcion	General Manager – Shakey’s				
Manuel T. Del Barrio	Vice President & CFO				
Jose Arnold T. Alvero	Chief Operating Officer and Business Unit Head of Potato Corner				
Gilbert L. Tolentino	Director – Company-Owned Store Operations				

Name	Principal Position	Year	Salary	Bonus	Other Compensation
Vicente L. Gregorio	President & CEO	2022	₱67,949,585		
Manuel T. Del Barrio	Vice President & CFO				
Jorge Maria Q. Concepcion	General Manager – Shakey’s				
Marielle C. Santos	General Manager – Peri- Peri				
Alois Brielbeck	General Manager – BMI				
Jose Arnold T. Alvero	Vice President – International Operations & Director – Franchise & Business Development				

Aggregate compensation paid to all Executive Officers and Directors

Name	Principal Position	Year	Salary	Bonus	Other Compensation
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Aggregate compensation paid to all executive officers and directors as a group unnamed	2023	₱182,055,912
	2022	₱157,370,825.00

Compensation of Directors

Independent directors receive a per diem of *PhP63,158.00 to PhP66,667.00* for attendance in a board meeting, as well as for attendance in Committee meetings. Executive and Non-Independent Directors do not receive compensation as directors. Please see below for a breakdown of director's compensation for the year 2023..

Name of Director	Fixed Remuneration	Variable Remuneration	Per Diem	Bonuses	Stock Options and/or other financial instruments	Others (Specify)
Non-independent Directors						
1. Christopher T. Po	None					
2. Ricardo Gabriel T. Po						
3. Teodoro Alexander T. Po						
4. Leonardo Arthur T. Po						
5. Vicente L. Gregorio						
6. Lance Y. Gokongwei						
Independent Directors						
1. Fernan Victor P. Lukban	None	None	Php 63,158 to 66,667 *per quarter	None	None	Php 63,158 to 66,667 for Committee Meetings held on dates different from that of Regular Board Meetings
2. Frances J. Yu						
3. Paolo L. Campos III						

Each Independent director is entitled to receive *per diem* allowance for attending board and committee meetings. The Board approves all compensation and remuneration schemes for the senior officers of the Company. As provided by law, the total compensation of directors shall not exceed ten percent (10%) of the net income before income tax of the Company during the preceding year.

The above table contains the details of the compensation of directors and officers of the Company. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments.

The Company may grant to the directors any compensation other than *per diems* by the approval of the shareholders representing at least a majority of the outstanding capital stock.

(b) Corporate Governance Committee

In accordance with the Company's Manual on Good Corporate Governance, the functions of the previous year's Compensation Committee was absorbed by the Corporate Governance Committee. The members of the Corporate Governance Committee were as follows:

Name	Position
Paulo L. Campos III	Chairman
Ricardo Gabriel T. Po	Member
Fernan Victor P. Lukban	Member

(c) 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, as well as special compensatory plans or arrangements, including payment to be received from the Company with respect to any named director or executive.

(d) Warrants and Options Outstanding

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

(e) Standard Arrangement

There are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, including additional amounts payable for committee participation or special assignments, for the last completed fiscal year and the ensuing year.

(f) Other Arrangements

There are no other arrangements, including consulting contracts, pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as a director.

Item 7. Independent Public Accountants

(a) External Auditor

SGV & Co., a member firm of Ernst & Young, independent auditors, has audited the Company's financial statements as at and for the years ended December 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023. SGV & Co. has been the Company's Independent Public Accountants since 1975 and will be recommended to be re-appointed as the external auditor of the Company for the ensuing year. 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.

Representatives of SGV & Co. are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

SGV & Co. also audited the Company's financial statements as of December 31, 2023 in accordance with the Philippine Standards on Auditing.

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, 2023 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 2021 and 2022 for professional services rendered by SGV & Co., excluding fees directly related to the Offer. SGV & Co. does not provide other services that are not reasonably related to the performance of the audit or review of our financial statements.

				<u>2022</u>	<u>2023</u>
Audit	and	Audit-Related	fees		
.....				PhP5,107,000.00	PhP5,500,000.00

Audit and Audited-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 year

(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, with respect to an external audit:

- 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, discusses 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.

(d) Audit Committee

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

Name	Position
Fernan Victor P. Lukban	Chairman
Ricardo Gabriel T. Po	Member
Paulo L. Campos, III	Member

Item 8. Compensation Plans

The Company has policies on annual merit increase and salary adjustments that are tied-up to the employees' performance assessments. The Company promotes a culture of recognition and value for key and high performing employees who demonstrate excellence at the workplace.

Performance will be the main driver for total rewards. Rewards programs are therefore differentiated across businesses and among employees according to their contributions and levels of performance with a significant share given to high performers.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to authorization or issuance of securities.

Item 10. *Modification or Exchange of Securities*

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. *Financial and Other Information*

The audited financial statements as of December 31, 2023 and other data related to the Company's financial information are attached hereto as Appendix 7.

The interim financial statements as of March 31, 2024, and other data related to the Company's financial information are attached hereto as Appendix 8.

Representatives of the Company's external auditor, SGV & Co., are expected to be present at the Annual Meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from the stockholders. The Company has had no material disagreement with SGV & Co. on any matter of accounting principle or practices or disclosures in the Company's financial statements.

Item 12. *Mergers, Consolidations, Acquisitions and Similar Matters*

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

Item 13. *Acquisition or Disposition of Property*

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company.

Item 14. *Restatement of Accounts*

The accounting policies adopted are consistent with those of the previous financial year.

D. OTHER MATTERS

Item 15. *Action with Respect to Reports*

There is no action to be taken with respect to any report of the Company or its directors, officers or committees, except for the approval of the minutes of the previous annual meeting of PIZZA held on June 20, 2023 ("2023 ASM") and for the ratification of all acts of the Board of Directors during their term of office. A copy of the June 20, 2023 minutes is attached as Appendix 9. A summary of the Agenda matters, the tally of votes cast, and the description of the opportunity given to the stockholders to ask questions is transcribed below:

1. Minutes of the Previous Annual Meeting

Stockholders who executed proxies were asked to submit their proxy forms to PIZZA's principal office at the WOW Center, 15Km East Service Rd., Brgy. San Martin De Porres, Parañaque City, for proxy validation on or before 5:00 PM on June 7, 2023. Thereafter, the proxies were validated and

the votes were tabulated by the Corporate Secretary and verified by the external auditor. Stockholders who opted to vote in person were given forms to fill-in before the meeting.

All items of the agenda for the 2023 ASM were approved. The voting results are as follows:

Agenda	Voting Results		
	For	Against	Abstain
Call to Order	78.00%	0.00%	1.25%
Secretary's Proof of Due Notice of the Meeting and Determination of Quorum	78.00%	0.00%	1.25%
Approval of the Minutes of the Stockholders' Meeting held on June 20, 2023	100.00%	0.00%	0.00%
Management's Report	100.00%	0.00%	0.00%
Approval and Ratification of all Acts of the Board of Directors, Board Committees and Management for the year 2020	100.00%	0.00%	0.00%
Election of Board of Directors			
<i>Ricardo Gabriel T. Po</i>	100.00%	0.00%	0.00%
<i>Christopher T. Po</i>	100.00%	0.00%	0.00%
<i>Teodoro Alexander T. Po</i>	99.75%	0.25%	0.00%
<i>Leonardo Arthur T. Po</i>	100.00%	0.00%	0.00%
<i>Vicente L. Gregorio</i>	100.00%	0.00%	0.00%
<i>Lance Y. Gokongwei</i>	98.96%	0.24%	0.00%
<i>Fernan Viktor P. Lukban (Independent)</i>	100.00%	0.00%	0.00%
<i>Paulo L. Campos, III (independent)</i>	100.00%	0.00%	0.00%
<i>Frances J. Yu (Independent)</i>	100.00%	0.00%	0.00%
Appointment of External Auditor	100.00%	0.00%	0.00%
Other Matters	72.91%	22.00%	45.09%
Adjournment	71.64%	0.55%	6.34%

During the meeting, stockholders were given the opportunity to ask questions from the Board of Directors after each agenda item except Call to Order, Proof of Notice of the Meeting and Determination of Quorum, and Adjournment. The questions asked and answers given during the meeting is recorded in the minutes for the 2023 ASM.

The following directors and officers were present during the 2023 ASM:

Mr. Christopher T. Po	-	Chairman
Mr. Ricardo Gabriel T. Po	-	Vice Chairman
Mr. Teodoro Alexander T. Po	-	Vice Chairman
Mr. Leonardo Arthur T. Po	-	Director and Treasurer
Mr. Vicente L. Gregorio	-	President and CEO
Mr. Lance Y. Gokongwei	-	Director
Mr. Paulo L. Campos, III	-	Independent Director
Mr. Fernan Victor P. Lukban	-	Independent Director
Ms. Frances J. Yu	-	Independent Director
Manuel T. Del Barrio	-	Chief Financial Officer, Compliance Officer, Chief Risk Officer and Chief Information Officer
Jorge Maria Q. Concepcion	-	Shakey's General Manager
Jose Arnold T. Alvero	-	Chief Operating Officer and Business Unit Head of Potato Corner

Alois Brielbeck	-	BMI General Manager
Maria Elma C. Santos	-	Peri Peri General Manager
Gilbert Tolentino	-	Shakey's Company-Owned Business Unit Director and R&B General Manager
Rommel Turbanos	-	Peri Peri General Manager
Darel G. Pallesco	-	Corporate Internal Audit Manager
Oliver Angelo C. Sicam	-	Group Director for Marketing
Yiow Leong Tan	-	Group Director for International
Kelda M. Centeno	-	Group Director for Digital, Loyalty and Delivery
Myrose April C. Victor	-	Investor Relations Head
Atty. Maria Rosario L. Ybanez	-	Corporate Secretary

The stockholders who attended the 2023 ASM represented a total of 1,381,072,011 common shares, constituting 82.02% of the total outstanding capital stock of PIZZA as of record date May 2, 2023.

2. Acts of the Board of Directors

At the annual meeting, stockholders will be asked to approve and ratify the acts of the Board of Directors during their term of office duly disclosed to the SEC and PSE. Since the last stockholders' meeting, the Board of Directors has authorized several transactions which are pursuant to the Company's ordinary course of business.

For reference, we have attached as Appendix 10 a schedule of the dates of the Board of Directors' meetings and the resolutions made during the meeting. We have also attached as Appendix 11 a list of reports covering Directors' disclosures on Self-Dealings until March 31, 2024.

3. Appraisals and performance reports for the board

Please see Corporate Governance portion.

Item 16. *Matters Not Required to be Submitted*

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. *Other Proposed Action*

Other than the matters indicated in the Notice and Agenda included in this Information Statement, there are no other actions proposes to be taken at the annual meeting.

Item 18. *Voting Procedures*

1. Manner of Voting

Method: Straight and Cumulative Voting

In all items for approval except election of directors, each share of stock entitles its registered owner to one vote.

In case of election of directors, each stockholder are entitled to cumulate their votes as discussed in Part B, Item 4(c) of this Information Statement.

There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done *viva voce*, by show of hands, or by balloting. During the last stockholders' meeting held on June 20, 2023, votes were cast by balloting and counted in the manner prescribed herein.

For this year's annual stockholders' meeting, the Company has established a designated website in order to facilitate the registration of and voting in absentia by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code. A stockholder or member who participates through remote communication and votes by proxy shall be deemed present for purposes of quorum.

2. Vote required for approval

The vote of stockholders representing at least a majority of the issued and outstanding capital stock entitled to vote is required.

3. Methods of Counting Votes

Each share shall be counted as one (1) vote. Similar to the method applied during the last stockholders' meeting, the votes will be tabulated by the stock and transfer agent.

Please see Appendix 1 on the complete voting guidelines.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig City on May 17, 2024.

By: _____
Maria Rosario L. Ybanez
Corporate Secretary

UNDERTAKING

The Company will post and make available for download the full version of this SEC Form 20-IS (Definitive Information Statement), together with all its annexes including the 2023 consolidated audited financial statements of the Company and the First Quarter 17-Q on the company website <https://www.shakeysgroup.ph/> upon its approval by the Securities and Exchange Commission

Upon the written request of a stockholder, the Company undertakes to timely furnish such stockholder with a copy of the full version of this SEC Form 20-IS (Definitive Information Statement), the SEC Form 17-A and the First Quarter 17-Q free of charge. Such written request shall be directed to the Office of the Corporate Secretary, 15Km WOW Center, East Service Road corner Marian Road 2, Brgy. San Martin de Porres, Paranaque City or sent via email at SECAdmin_SPAVI@shakeys.biz.

MANAGEMENT REPORT

BUSINESS OVERVIEW AND GENERAL INFORMATION

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 67.5%, 22.8%, and 14.4% market shares, respectively, based on data from Euromonitor as of December 31, 2023. SPAVI operated a total of 2,141 stores and kiosks - a mix of company-owned and franchise outlets in the Philippines and abroad during the same period.

PIZZA has over 40 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, PIZZA 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 trends 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 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 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.

In June 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 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.

FACTORS AFFECTING RESULTS OF OPERATIONS

The Philippine food service industry is a highly competitive market with low barriers to entry. 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. Failure to successfully compete and consistently outperform its peers may adversely affect its business and financial and operational results.

PIZZA growth is partially dependent on the strength of its brand, recognized for its 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 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 the franchisees to deliver what is expected of them may significantly harm the brand image and goodwill of the Shakey's brand, as well as adversely affect the business operations and results of operations of PIZZA.

PIZZA's growth is highly dependent on its ability to open new stores, maintain existing stores, and operate these stores in a profitable manner. Failure to successfully locate and secure suitable store locations in its target markets may delay PIZZA store openings and significantly affect its business and results of operations. In addition, PIZZA's expansion plans may be limited by unforeseen economic and market conditions that are beyond its control.

PIZZA relies on key third-party suppliers and its in-house commissary to supply key raw material requirements. A failure by these third-party suppliers to adhere to contractual obligations or a significant disruption in the supply chain and logistics can significantly affect its business operations.

PIZZA hires approximately 2,200 full-time employees, a portion of which are covered by a 5-year collective bargaining agreement renewed on October 15, 2021. Although PIZZA's operations have never been affected by any labor dispute in the past, it cannot assure that it will not experience

labor unrest and activism in the future, which may affect its business, financial condition and result of operations.

PIZZA outsources a portion of its labor requirements from a third-party manpower service provider. Significant changes in labor laws and regulations, particularly in relation to the use of manpower service providers, may impact labor costs, as well as adversely affect the business operations and results on operations of PIZZA.

PIZZA relies on third-party service providers for certain services and the failure by these service providers to adhere and perform contractual obligations may adversely affect the business operations and results of operations of PIZZA.

PIZZA's profitability and operating margins are partially dependent on its ability to anticipate and react to changes in food and beverage costs. Any significant changes in raw materials costs that are not handled properly by the company may affect its business and results of operations.

KEY VARIABLE AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS

(i) Any known Trends, Events or Uncertainties (Material Impact on Liquidity and Sales)

Food service businesses are affected by changes in consumer tastes, international, national, regional and local economic conditions and demographic trends. For example, if prevailing health or dietary preferences cause consumers to avoid pizza and other products we offer in favor of foods that are perceived as more healthy, our business, financial condition and results of operations would be materially adversely affected. The timing of product launches, pricing and advertising efforts of competitors may also impact our sales of new menu items. In the past, we have introduced new products which were unsuccessful and there can be no guarantee that we will be able to introduce new menu items successfully in the future. If we cannot successfully introduce new menu offerings, our business, financial condition and results of operations could be materially and adversely affected.

Majority of company-owned and franchised stores are currently located in the Philippines. As a result, our operations are significantly impacted, and will continue to be significantly impacted, by macroeconomic conditions in the Philippines. Demand for, and prevailing prices of, our menu offerings are directly related to the strength of the Philippine economy and consumer confidence, including overall growth levels and the amount of business activity in the Philippines. Over the past several years, economic growth in the Philippines has led to an increase in personal disposable income, resulting in increased purchasing power and greater demand for consumer products. Any deterioration in the Philippine economy may adversely affect consumer sentiment and lead to a contraction in demand for our products.

As of the date of this disclosure and other than as disclosed, we are not aware of any other trends, events or uncertainties that would have had or that could reasonably be expected to have a material favorable or unfavorable impact on our revenues from continuing operations.

ii) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

The Company entered into a loan agreement with BDO Unibank on June 8, 2016, which in turn was used to finance the acquisition of majority control of the Shakey's Group from the Prieto Family.

There are a number of other covenants under the loan, including a restriction on the amendments of constitutive documents that will impact the ability of the Company to fulfill its obligations under the loan without the consent of the lender.

- (iii) All material off-balance sheet transactions, obligations including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

As of the date of this disclosure, PIZZA is not a financial guarantor of the obligations of any unconsolidated entity, and we were not a party to any off-balance sheet obligations or arrangement.

- (iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures

PIZZA makes capital expenditures annually to support our business goals and objectives. As part of its strategy, we invest capital in developing and constructing new stores. PIZZA also invests in on-going maintenance of existing stores.

The Company has historically funded our capital expenditures primarily through internally generated funds derived from operating income.

- (v) Any Significant Elements of Income or Loss (from continuing operations) and Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)

Causes for material changes are explained in Management's Discussion and Analysis or Plan of Operation and Notes to the Consolidated Financial Statements.

- (vi) Seasonal Aspects that has Material Effect on the FS

PIZZA's net sales exhibits seasonal fluctuations, with our strongest sales levels historically occurring in the fourth quarter of the year boosted by celebrations during the holiday season. The Company takes advantage of stronger seasonal sales by implementing campaigns geared towards increasing average check per guest and launching marketing strategies to increase transaction count during seasons with lower sales levels.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL POSITION

31 March 2023 vs. 31 December 2022

	31 Mar 2024	31 Dec 2023	Change
Cash and cash equivalents	721,565,539	901,147,527	-20%
Trade and other receivables	1,434,996,778	1,224,789,572	17%
Inventories	1,519,815,611	1,712,217,989	-11%
Prepaid expenses and other current assets	415,812,190	635,187,293	-35%
Property and equipment	1,923,725,146	1,833,780,583	5%
Intangible assets	10,396,091,443	10,366,799,313	0%
Right-of-use asset	1,471,363,664	1,540,630,889	-4%
Deferred input value-added tax	3,432,678	3,886,410	-12%
Deferred tax assets	333,534,729	100,394,721	232%
Rental and other non-current assets	324,038,501	309,113,712	5%
TOTAL ASSETS	18,544,376,280	18,627,948,009	0%
Accounts payable and other current liabilities	1,314,529,007	1,753,136,296	-25%
Short-term loan	700,000,000	700,000,000	0%
Current portion of loan payable	47,932,514	47,876,004	0%
Current portion of unearned franchise fees	13,445,337	30,059,596	-55%
Lease liability - current	275,608,551	275,584,146	0%
Income tax payable	212,187,750	142,150,319	49%
Noncurrent portion of loan payable	5,194,638,477	5,194,694,987	0%
Dealers' deposit and other non-current liabilities	94,995,064	106,626,720	-11%
Unearned franchise fees	143,530,632	117,882,366	22%
Lease liability - non-current	1,495,656,606	1,555,254,353	-4%
Accrued pension costs	126,773,109	117,600,878	8%
Deferred tax liabilities - net	794,409,905	627,872,928	27%
Total Liabilities	10,413,706,952	10,668,738,593	-2%
Capital stock	1,683,760,178	1,683,760,178	0%
Additional paid-in capital	2,451,116,470	2,451,116,470	0%
Retained earnings	3,959,892,961	3,788,433,048	5%
Other components of equity	35,899,720	35,899,720	0%
Total Equity	8,130,669,328	7,959,209,416	2%
TOTAL LIABILITIES AND EQUITY	18,544,376,280	18,627,948,009	0%

Shakey's Pizza Asia Ventures, Inc.'s total resources as of 31 March 2024 was at ₱18.54 billion, relatively stable compared to the 31 December 2023 level of ₱18.63 billion.

20% Decrease in Cash and Cash Equivalents

As of March 2024, cash and cash equivalents totaled ₱722 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash. Cash flow provided by operations were at ₱195 million, with ₱267 million net outflows on investing activities and ₱109 million net outflows from financing activities.

17% Increase in Trade and other receivables

Trade and other receivables stood at ₱1.43 billion as of the first quarter of 2024 compared to ₱1.22 billion in end 2023. The increase is driven by the growth of the Company's business.

11% Decrease in Inventories

Inventories amounted to ₱1.52 billion as of the first quarter of 2024 compared to ₱1.71 billion as of end 2023. The decrease is driven by normalizing inventory levels from previously elevated levels.

35% Decrease in Prepaid expenses and other current assets

Prepaid expenses and other current assets stood at ₱416 million as of the first quarter of 2024 compared to ₱635 million in end-2023. The decrease is driven by lower advances to suppliers.

232% Increase in Deferred tax assets

The increase is driven by net operating loss carryover recognized in the first quarter of 2024.

25% Decrease in Accounts payable and other current liabilities

The decrease is driven by lower trade payables in the first quarter of 2024 compared to end-2023.

49% Increase in Income tax payable

The increase is driven by current tax expense recognized in the first quarter of 2024.

FINANCIAL POSITION

31 December 2023 vs. 31 December 2022

	31 Dec 2023	31 Dec 2022	Change
Cash and cash equivalents	901,147,527	989,578,790	-9%
Trade and other receivables	1,224,789,572	1,133,066,392	8%
Inventories	1,712,217,989	1,001,114,060	71%
Prepaid expenses and other current assets	635,187,293	730,884,353	-13%
Property and equipment	1,833,780,583	1,764,723,405	4%
Intangible assets	10,366,799,313	10,339,886,416	0%
Right-of-use asset	1,540,630,889	1,443,780,579	7%
Deferred input value-added tax	3,886,410	9,653,323	-60%
Deferred tax assets	100,394,721	25,566,418	293%
Rental deposits	309,113,712	270,164,541	14%
TOTAL ASSETS	18,627,948,009	17,708,418,277	5%
Accounts payable and other current liabilities	1,753,136,296	2,132,213,295	-18%

Short-term loan	700,000,000	500,000,000	40%
Current portion of loan payable	47,876,004	47,932,514	0%
Current portion of unearned franchise fees	30,059,596	13,445,337	124%
Lease liability - current	275,584,146	58,902,122	368%
Income tax payable	142,150,319	52,155,804	173%
Noncurrent portion of loan payable	5,194,694,987	5,242,625,440	-1%
Dealers' deposit and other non-current liabilities	106,626,720	146,635,403	-27%
Unearned franchise fees	117,882,366	61,226,844	93%
Lease liability - non-current	1,555,254,353	1,641,116,052	-5%
Accrued pension costs	117,600,878	86,599,794	36%
Deferred tax liabilities - net	627,872,928	679,788,566	-8%
Total Liabilities	10,668,738,593	10,662,641,171	0%
Capital stock	1,683,760,178	1,683,760,178	0%
Additional paid-in capital	2,451,116,470	2,451,116,470	0%
Retained earnings	3,788,433,048	2,877,362,495	32%
Other components of equity	35,899,720	33,537,963	7%
Total Equity	7,959,209,416	7,045,777,106	13%
TOTAL LIABILITIES AND EQUITY	18,627,948,009	17,708,418,277	5%

Shakey's Pizza Asia Ventures, Inc.'s total resources as of 31 December 2023 was at ₱18.63 billion, 5% higher than the 31 December 2022 level of ₱17.71 billion, due to the following:

9% Decrease in Cash and cash equivalents

As of end 2023, cash and cash equivalents totaled ₱901 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash. Cash flow from operations generated ₱1.18 billion, offset by ₱0.55 billion net outflows on investing activities and ₱0.72 billion net outflows from financing activities.

8% Increase in Trade and other receivables

Trade and other receivables stood at ₱1.22 billion as of end 2023 compared to ₱1.13 billion in end 2022. The increase is driven by the growth of the Company's business.

71% Increase in Inventories

Inventories amounted to ₱1.71 billion as of end 2023 compared to ₱1.00 billion as of end 2022. The increase is driven by the growth of the Company's business, as well as efforts to build ample covers to ensure supply security.

290% Increase in Prepaid expenses and other current assets

Prepaid expenses and other current assets stood at ₱635 million as of end 2023 compared to ₱731 million in end 2022. The decrease is driven by lower advances to suppliers in 2023.

7% Increase in Right-of-use assets

The increase is driven by the Company's network expansion in 2023.

14% Increase in Rental deposits

The increase is driven by the Company's network expansion in 2023.

18% Decrease in Accounts payable and other current liabilities

The decrease is primarily driven by lower trade payables, which normalized in 2023 following heightened levels in the previous year.

40% Increase in Short-term loans payable

The loans availed in 2023 refers to support for working capital requirements.

Increase in Lease liability

Total lease liability stood at ₱1.83 billion as of end 2023, with ₱276 million recognized as the current portion and ₱1.55 billion as the non-current. The total amount is higher compared to the total lease liability of ₱1.70 billion in 2022. The increase is driven by the Company's network expansion in 2023.

173% Increase in Income tax payable

The increase is mainly driven by higher current income taxes as a result of the growth of the Company's business in 2023.

32% Increase in Retained earnings

The increase in retained earnings is driven by the recognition of the Company's consolidated net income for 2023 of ₱1.08 billion, net of ₱168 million dividends declared for the year.

FINANCIAL POSITION

31 December 2022 vs. 31 December 2021

	31 Dec 2022	31 Dec 2021	Change
Cash and cash equivalents	989,578,790	485,414,521	104%
Trade and other receivables	1,133,066,392	723,983,367	57%
Financial assets at FVTPL	-	300,000,000	-
Inventories	1,001,114,060	432,876,226	131%
Prepaid expenses and other current assets	730,884,353	187,556,789	290%
Property and equipment	1,764,723,405	1,373,563,312	28%
Intangible assets	10,339,886,416	7,034,324,209	47%
Right-of-use asset	1,443,780,579	1,231,516,139	17%
Deferred input value-added tax	9,653,323	28,234,552	-66%
Deferred tax assets	25,566,418	247,956,292	-90%
Rental and other non-current assets	270,164,541	589,287,521	-54%
TOTAL ASSETS	17,708,418,277	12,634,712,928	40%
Accounts payable and other current liabilities	2,132,213,295	968,634,979	120%
Short-term loan	500,000,000	-	-
Current portion of loan payable	47,932,514	47,986,963	0%
Current portion of unearned franchise fees	13,445,337	18,965,155	-29%
Lease liability - current	58,902,122	92,010,032	-36%

Income tax payable	52,155,804	1,557,290	3249%
Noncurrent portion of loan payable	5,242,625,440	3,692,570,991	42%
Dealers' deposit and other non-current liabilities	146,635,403	83,979,903	75%
Unearned franchise fees	61,226,844	63,232,658	-3%
Lease liability - non-current	1,641,116,052	1,388,726,488	18%
Accrued pension costs	86,599,794	96,260,947	-10%
Deferred tax liabilities - net	679,788,566	-	-
Total Liabilities	10,662,641,171	6,453,925,406	65%
Capital stock	1,683,760,178	1,683,760,178	0%
Additional paid-in capital	2,451,116,470	2,451,116,470	0%
Retained earnings	2,877,362,495	2,053,473,219	40%
Other components of equity	33,537,963	(7,562,345)	-543%
Total Equity	7,045,777,106	6,180,787,522	14%
TOTAL LIABILITIES AND EQUITY	17,708,418,277	12,634,712,928	40%

Shakey's Pizza Asia Ventures, Inc.'s total resources as of 31 December 2022 was at ₱17.71 billion, 40% higher than the 31 December 2021 level of ₱12.64 billion, due to the following:

104% Increase in Cash and Cash Equivalents

As of end 2022, cash and cash equivalents totaled ₱990 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash. Cash flow from operations generated ₱1.62 billion, offset by ₱2.53 billion net outflows on investing activities and ₱1.42 billion net inflows from financing activities.

57% Increase in Trade and Other Receivables

Trade and other receivables stood at ₱1.13 billion as of end 2022 compared to ₱724 million in end 2021. The increase is driven by the growth of the Company's business both due to the recovery of existing businesses following the economic re-opening and due to the integration of the Potato Corner (PC) business starting 2022.

131% Increase in Inventories

Inventories amounted to ₱1.00 billion as of end 2022 compared to ₱433 million as of end 2021. The increase is driven by the growth of the Company's business both due to the recovery of existing businesses following the economic re-opening and due to the integration of the PC business starting 2022.

290% Increase in Prepaid expenses and other current assets

Prepaid expenses and other current assets stood at ₱731 million as of end 2022 compared to ₱188 million in end 2021. The increase is driven by the growth of the Company's business both due to the recovery of existing businesses following the economic re-opening and due to the integration of the PC business starting 2022.

28% Increase in Property and equipment

The increase reflects the net movements on property, plant and equipment from additions, depreciation and retirement.

47% Increase in Intangible assets

The increase reflects the trademarks and goodwill arising from the business acquisition in 2022.

17% Increase in Right-of-use assets

The increase is driven by the Company's store network expansion in 2022.

90% Decrease in Deferred tax assets

The decrease is driven by the adjustment on previously recognized deferred tax assets as a result of the 2020 net operating loss carryover.

54% Decrease in Rental and other non-current assets

The decrease is driven by funds set aside for investments which were realized in 2022.

120% Increase in Accounts payable and other current liabilities

The increase is driven by the growth of the Company's business both due to the recovery of existing businesses following the economic re-opening and due to the integration of the PC business starting 2022.

Addition of Short-term loans payable, 42% increase in Non-Current loan payable

The loans availed in 2022 refers to support for working capital, asset purchases and capital investment requirements.

Increase in Lease liability

Total lease liability stood at ₱1.70 billion as of end 2022, with ₱59 million recognized as the current portion and ₱1.64 billion as the non-current. The total amount is higher compared to the total lease liability of ₱1.48 billion in 2021. The increase is driven by the Company's store network expansion in 2022.

Recognition of Deferred tax liabilities

The increase is driven by the acquisition of the PC business in 2022.

40% Increase in Retained earnings

The increase in retained earnings is driven by the recognition of the Company's consolidated net income for 2022 of ₱874 million.

FINANCIAL POSITION

31 December 2021 vs. 31 December 2020

	31 Dec 2021	31 Dec 2020	Change
Cash and cash equivalents	485,414,521	607,674,132	-20%
Trade and other receivables	723,983,367	561,004,570	29%
Financial assets at FVOCI	300,000,000	120,000,000	150%
Inventories	432,876,226	444,941,572	-3%
Prepaid expenses and other current assets	187,556,789	132,042,576	42%
Property and equipment	1,373,563,312	1,419,634,223	-3%
Intangible assets	7,034,324,209	7,051,509,002	0%
Right-of-use asset	1,231,516,139	1,311,464,060	-6%
Deferred input value-added tax	28,234,552	48,423,974	-42%
Deferred tax assets	247,956,292	350,172,528	-29%
Rental and other non-current assets	589,287,521	173,125,540	240%

TOTAL ASSETS	12,634,712,928	12,219,992,177	3%
Accounts payable and other current liabilities	968,634,979	801,171,873	21%
Short-term loan	-	1,050,000,000	-100%
Current portion of loan payable	47,986,963	48,099,942	0%
Current portion of unearned franchise fees	18,965,155	16,020,186	18%
Lease liability - current	92,010,032	211,544,249	-57%
Income tax payable	1,557,290	3,156,468	-51%
Noncurrent portion of loan payable	3,692,570,991	3,740,497,427	-1%
Dealers' deposit and other non current liabilities	83,979,903	41,240,550	104%
Unearned franchise fees	63,232,658	73,600,393	-14%
Lease liability - non-current	1,388,726,488	1,319,058,770	5%
Accrued pension costs	96,260,947	131,238,332	-27%
Total Liabilities	6,453,925,406	7,435,628,190	-13%
Capital stock	1,683,760,178	1,531,321,053	10%
Additional paid-in capital	2,451,116,470	1,353,554,797	81%
Retained earnings	2,053,473,219	1,964,168,269	5%
Other components of equity	(7,562,345)	(64,680,132)	-88%
Total Equity	6,180,787,522	4,784,363,987	29%
TOTAL LIABILITIES AND EQUITY	12,634,712,928	12,219,992,177	3%

Shakey's Pizza Asia Ventures, Inc.'s total resources as of 31 December 2021 was at ₱12.63 billion, 3% higher than the 31 December 2020 level of ₱12.22 billion, due to the following:

20% Decrease in Cash and cash equivalents

As of end 2021, cash and cash equivalents totaled ₱485 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash. Cash flow from operations generated ₱866 million, offset by ₱797 million net outflows on investing activities and ₱192 million net outflows on financing activities.

29% Increase in Trade and other receivables

Trade and other receivables stood at ₱724 million as of year-end 2021 compared to ₱561 million in 2020. The increase is driven by the recognition of higher third-party trade receivables.

3% Decrease in Inventories

Inventories amounted to ₱433 million as of year-end 2021 compared to ₱445 million in 2020. The decrease is due to lower merchandise inventory due to higher sales in December 2021 relative to December 2020.

42% Increase in Prepaid expenses and other current assets

Prepaid expenses and other current assets stood at ₱188 million as of year-end 2021 compared to ₱132 million in 2020. The increase is due to advanced payments to suppliers as part of supply chain management.

3% Decrease in Property and equipment

The decrease reflects the net movements on property, plant and equipment from depreciation, retirement and additions.

6% Decrease in Right-of-use asset

Right-of-use assets stood at ₱1.23 billion as of year-end 2021 compared to ₱1.31 billion in 2020.

29% Decrease in Deferred tax assets

The decrease is driven by the adjustment on previously recognized deferred tax assets as a result of the 2020 net operating loss carryover.

240% Increase in Rental and other non-current assets

The increase is driven by the increase in rental deposits and fund set aside for investments.

21% Increase in Accounts payable and other current liabilities

The slight increase is driven by normal timing differences in the settlement of trade payables.

Disposition of Short-term loans payable

The short-term loans availed of in 2020 to support the Company's operations amidst the COVID-19 pandemic was fully settled as at the end of 2021.

Decrease in Unearned franchise fees

Total unearned franchise fees stood at ₱82 million as of year-end 2021, with ₱19 million recognized as the current portion and ₱63 million as the non-current. The total amount is lower compared to the total unearned franchisee fees of ₱90 million in 2020.

Decrease in Lease liability

Total lease liability stood at ₱1.48 billion as of year-end 2021, with ₱92 million recognized as the current portion and ₱1.39 billion as the non-current. The total amount is lower compared to the total lease liability of ₱1.53 billion in 2020.

27% Decrease in Accrued pension costs

Accrued pension costs stood at ₱96 million as of year-end 2021, a decrease from the ₱31 million in 2020 due to the re-assessment of the defined benefit obligation of the Company.

10% Increase in Capital stock

The increase in capital stock results from the issuance of 152,439,025 primary shares to JE Holdings, the Company's new strategic investor.

81% Increase in Additional paid-in capital

The increase in additional paid-in capital results from the issuance of 152,439,025 primary shares to JE Holdings, the Company's new strategic investor, at ₱8.20 per share.

5% Increase in Retained earnings

The increase in retained earnings is driven by the recognition of the Company's consolidated net income of ₱123 million.

RESULTS OF OPERATIONS

31 March 2024 vs. 31 March 2023

	31 Mar 2024	31 Mar 2023	Change
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Revenues	3,090,791,258	2,908,251,612	6%
Cost of sales	(2,371,650,391)	(2,277,483,682)	4%
Gross income	719,140,867	630,767,930	14%
General and administrative expenses	(471,598,264)	(335,535,912)	41%
Interest expense	(81,500,943)	(83,929,178)	-3%
Other income, net	7,036,817	12,033,075	-42%
Income before income tax	173,078,477	223,335,915	-23%
Provision for (benefit from) income tax	1,602,883	22,552,725	-93%
TOTAL COMPREHENSIVE INCOME	171,475,594	200,783,190	-15%

Results of Operations for the period ended 31 March 2024 compared to the period ended 31 March 2023

6% Increase in Revenues

Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱3.09 billion in the first quarter of 2024, increasing by 6% from the reported net revenues of ₱2.91 billion in the first quarter of 2023. This was mainly driven by stable same store sales growth and the group's store network expansion.

14% Increase in Gross income

Consolidated gross profit amounted to ₱719 million in the first quarter of 2024, higher by 14% from ₱630 million in the previous year. This is driven by revenue growth outpacing the growth of cost of sales, which yielded a gross profit margin of 23% for the year.

41% Increase in General and administrative expenses

General and administrative expenses totaled ₱472 million, representing a 15% cost-to-sales ratio. This is higher compared to 11% during the same period in 2023 due to the investments in the organization to support the group's domestic and international expansion.

42% Decrease in Other income

Other income is composed mainly of other income from franchisees, service income, provisions and gains and losses from store retirement. Other income totaled ₱7 million in the first quarter of 2024. This is 42% lower than the ₱12 million reported in 2023 due to lower service income recorded in 2024.

15% Decrease in Net income

Overall, the gross margin expansion outpaced by investments at the operating expense level led to a softer net income of ₱171 million in the first quarter of 2024, 15% lower than the same period the year before. PIZZA's net profit margin likewise contracted by 140 bps to 5.5%.

RESULTS OF OPERATIONS

31 December 2023 vs. 31 December 2022

	31 Dec 2023	31 Dec 2022	Change
Revenues	12,823,923,008	10,142,024,578	26%
Cost of sales	(9,673,051,933)	(7,546,508,401)	28%
Gross income	3,150,871,075	2,595,516,177	21%

General and administrative expenses	(1,570,509,929)	(1,222,810,270)	28%
Interest expense	(361,489,106)	(323,971,110)	12%
Other income, net	25,538,682	49,680,141	-49%
Income before income tax	1,244,410,722	1,098,414,938	13%
Provision for (benefit from) income tax	164,964,152	224,012,857	-26%
Net income (loss)	1,079,446,570	874,402,081	23%
Total other comprehensive income	2,361,757	41,100,308	-94%
TOTAL COMPREHENSIVE INCOME	1,081,808,327	915,502,389	18%

Results of Operations for the year ended 31 December 2023 compared to the year ended 31 December 2022

26% Increase in Revenues

Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱12.82 billion in 2023, increasing by 26% from the reported net revenues of ₱10.14 billion in 2022. Amidst a challenging macroeconomic environment, this revenue growth was supported by same-store sales growth (SSSG) of 13% and a 20% network expansion.

28% Increase in Costs of sales

In 2023, consolidated cost of sales increased by 28% to ₱9.67 billion from ₱7.55 billion in 2021. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent and utilities.

21% Increase in Gross income

Consolidated gross profit amounted to ₱3.15 billion in 2023, higher by 21% from ₱2.60 billion in the previous year. This yielded a gross profit margin of 25%.

28% Increase in General and administrative expenses

2023 consolidated general and administrative expenses totaled ₱1.57 billion, representing an 12% cost-to-sales ratio. This is in line compared to 12% during the same period in 2022.

23% Increase in Net income

2023 net income registered at ₱1.08 billion, 23% higher than the same period the year before, primarily driven by the company's topline growth. PIZZA's net profit margin slightly contracted by 20 bps to 8.4%.

RESULTS OF OPERATIONS

31 December 2022 vs. 31 December 2021

	31 Dec 2022	31 Dec 2021	Change
Revenues	10,142,024,578	5,480,427,588	85%
Cost of sales	(7,546,508,401)	(4,206,711,163)	79%
Gross income	2,595,516,177	1,273,716,425	104%
General and administrative expenses	(1,222,810,270)	(837,345,396)	46%
Interest expense	(323,971,110)	(292,179,579)	11%
Other income, net	49,680,141	86,488,120	-43%

Income before income tax	1,098,414,938	230,679,570	376%
Provision for (benefit from) income tax	224,012,857	107,699,412	108%
Net income (loss)	874,402,081	122,980,158	611%
Total other comprehensive income	41,100,308	57,117,787	-28%
TOTAL COMPREHENSIVE INCOME	915,502,389	180,097,945	408%

Results of Operations for the year ended 31 December 2022 compared to the year ended 31 December 2021

85% Increase in Revenues

Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱10.14 billion in 2022, increasing by 85% from the reported net revenues of ₱5.48 billion in 2021. This was mainly driven by dine-in recovery due to the economic reopening and the group's store network expansion, boosted by the addition of PC operations starting March 2022.

79% Increase in Costs of sales

In 2022, consolidated cost of sales increased by 79% to ₱7.55 billion from ₱4.22 billion in 2021. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent and utilities.

104% Increase in Gross income

Consolidated gross profit amounted to ₱2.60 billion in 2022, higher by 104% from ₱1.27 billion in the previous year. This yielded a gross profit margin of 26%.

46% Increase in General and administrative expenses

2022 consolidated general and administrative expenses totaled ₱1.22 billion, representing an 12% cost-to-sales ratio. This is lower compared to 15% during the same period in 2021.

11% Increase in Interest expense

Interest expense of ₱324 million was recorded for the twelve months ending December 31, 2022, higher than 11% compared to the 2021 figure of ₱292 million. This was mainly driven by the increase in long-term loans payable in 2022.

43% Decrease in Other income

Other income is composed mainly of other income from franchisees, service income, provisions and gains and losses from store retirement. Other income totaled ₱49 million as of end 2022. This is 43% lower than the ₱86 million reported in 2021 as during the prior period, gains from reversal of long outstanding liabilities and gains from recovery of receivables were recognized.

611% Increase in Net income

Overall, the robust topline, combined with efficient operations, led to a net income of ₱874 million, 611% higher than the same period the year before. PIZZA's net profit margin likewise expanded by 640 bps to 8.6%.

RESULTS OF OPERATIONS

31 December 2021 vs. 31 December 2020

	31 Dec 2021	31 Dec 2020	Change
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Revenues	5,480,427,588	5,296,771,546	3%
Cost of sales	(4,206,711,163)	(4,364,157,309)	-4%
Gross income	1,273,716,425	932,614,237	37%
General and administrative expenses	(837,345,396)	(972,712,600)	-14%
Interest expense	(292,179,579)	(333,303,573)	-12%
Other income, net	86,488,120	4,890,761	1668%
Income before income tax	230,679,570	(368,511,175)	-163%
Provision for (benefit from) income tax	107,699,412	(114,921,887)	-194%
Net income (loss)	122,980,158	(253,589,288)	-149%
Total other comprehensive income	57,117,787	(15,239,861)	-475%
TOTAL COMPREHENSIVE INCOME	180,097,945	(268,829,149)	-167%

Results of Operations for the year ended 31 December 2021 compared to the year ended 31 December 2020

3% Increase in Revenues

Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱5.48 billion, increasing by 3% from the reported net revenues of ₱5.30 billion for the twelve months ending December 31, 2020.

4% Decrease in Costs of sales

For the year ending 2021, consolidated cost of sales dropped by 4% from ₱4.36 billion in 2020 to ₱4.21 billion. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent and utilities.

37% Increase in Gross income

Consolidated gross profit amounted to ₱1.27 billion for the full year 2021, higher by 37% from ₱933 million in the previous year. This yielded a gross profit margin of 23% from 18% previously.

14% Decrease in General and administrative expenses

For the twelve months ending December 31, 2021, consolidated general and administrative expenses totaled ₱837 million, representing an 15% cost-to-sales ratio. This is lower compared to 18% during the same period in 2020.

12% Decrease in interest expense

Interest expense of ₱292 million was recorded for the twelve months ending December 31, 2021. This amount pertains to interest on the acquisition loan used to acquire the wholly-owned subsidiaries, as well as the ₱1.05 billion loan used to support operating activities that were negatively affected by the COVID-19 pandemic.

1,668% Increase in Other income

Other income totaled ₱86 million as of year-end 2021. This is composed mainly of other income from franchisees, service income, provisions and loss from store retirement. This is an increase from the ₱5 million reported in 2020 which was impacted by the recognition of provisions and loss from store retirement.

Reversal of Net loss to Recognition of Net income

For the year ending 2021, consolidated net income after tax stood at ₱123 million, yielding a net income margin of 2.2%. This is a reversal from 2020's recorded net loss after tax of ₱254 million.

FINANCIAL RATIOS

	31 Mar 2024	31 Mar 2023
Gross Profit Margin <i>Gross Profit / Net Revenue</i>	23.3%	21.7%
Before Tax Return on Sales <i>Net Profit Before Tax / Net Revenue</i>	5.6%	7.7%
Return on Equity <i>Net Income / Average Equity</i>	13.7%	14.8%
Net Gearing Ratio <i>(Interest-bearing liabilities - Cash) / Total Equity</i>	0.64x	0.70x
Current Ratio <i>Total Current Assets / Total Current Liabilities</i>	1.60x	1.56x

	31 Dec 2023	31 Dec 2022	31 Dec 2021
Gross Profit Margin <i>Gross Profit / Net Revenue</i>	24.6%	25.6%	23.2%
Before Tax Return on Sales <i>Net Profit Before Tax / Net Revenue</i>	9.7%	10.8%	4.2%
Return on Equity <i>Net Income / Average Equity</i>	14.4%	15.2%	2.2%
Net Gearing Ratio <i>(Interest-bearing liabilities - Cash) / Total Equity</i>	0.63x	0.68x	0.53x
Current Ratio <i>Total Current Assets / Total Current Liabilities</i>	1.52x	1.37x	1.89x

FINANCIAL STABILITY INDICATORS

As of December 31, 2023

Ratio	Formula	Current Year	Prior Year
Current ratio	<div>Total Current Assets 4,473,342,381</div> <div>Divide by: Total Current Liabilities 2,948,806,361</div> <div>Current Ratio 1.52</div>	1.52x	1.37x
Quick/Acid test ratio	<div>Total Current Assets 4,473,342,381</div> <div>Less: Inventories (1,712,217,989)</div> <div>Prepayments and other Current Assets (635,187,293)</div> <div>Quick assets 2,125,937,099</div> <div>Divide by: Total Current Liabilities 2,948,806,361</div> <div>Quick/Acid test ratio 0.72</div>	0.72x	0.76x
Debt-to-equity ratio	<div>Total Liabilities 10,668,738,593</div> <div>Divide by: Total Equity 7,959,209,416</div> <div>Debt-to-equity ratio 1.34</div>	1.34x	1.51x
Gearing ratio	<div>Interest bearing liabilities 5,942,570,991</div> <div>Divide by: Total Equity 7,959,209,416</div> <div>Gearing ratio 0.75</div>	0.75x	0.82x
Net Gearing ratio	<div>Interest bearing liabilities 5,942,570,991</div> <div>Minus: Cash 901,147,527</div> <div>Net 5,041,423,464</div> <div>Divide by: Total Equity 7,959,209,416</div> <div>Net Gearing ratio 0.63</div>	0.63x	0.68x
Asset-to-equity ratio	<div>Total Assets 18,627,948,009</div> <div>Divide by: Total Equity 7,959,209,416</div> <div>Asset-to-equity ratio 2.34</div>	2.34x	2.51x
Interest rate coverage ratio	<div>EBIT 1,244,410,722</div> <div>Divide by: Interest Expenses 361,489,106</div> <div>Interest rate coverage ratio 3.44</div>	3.44x	3.39x
Working capital turnover	<div>Net Sales 12,823,923,008</div> <div>Divide by: Working capital</div> <div>Current Assets 4,473,342,381</div> <div>Less: Current Liabilities (2,948,806,361)</div> <div>Working Capital 1,524,536,020</div> <div>Working Capital Turnover 8.41</div>	8.41x	9.66x
Return on equity	<div>Net Income 1,079,446,570</div> <div>Divide by: Total Equity 7,959,209,416</div> <div>Return on equity 13.56%</div>	13.56%	12.41%
Return on assets	<div>Net Income 1,079,446,570</div> <div>Divide by: Total Assets 18,627,948,009</div> <div>Return on assets 5.79%</div>	5.79%	4.94%
Earnings per share	<div>Net Income 1,079,446,570</div> <div>Average No. of shares 1,683,760,178</div> <div>Earnings per share 0.64</div>	0.64	0.52

MARKET INFORMATION

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 2022	10.28	7.75
2nd Quarter of 2022	8.70	6.70
3rd Quarter of 2022	8.20	6.90
4th Quarter of 2022	7.78	7.10
January 1, 2022 to December 31, 2022	10.28	6.70
1st Quarter of 2023	8.70	7.26
2nd Quarter of 2023	9.10	8.20
3rd Quarter of 2023	9.80	8.80
4th Quarter of 2023	9.82	9.15
January 1, 2023 to December 31, 2023	9.82	7.26
January 1, 2024 to March 31, 2024	10.72	9.77

Source: Daily Quotation Reports of the Philippine Stock Exchange

The market capitalization of the Company's common shares as of end of 2023, based on the closing price of ₱9.80 per share was ₱16,500,849,744. The market capitalization of the Company's common shares as of March 31, 2023, based on the closing price of ₱10.14 per share was ₱17,073,328,205.

b) Holders

Total shares outstanding as of March 31, 2024, is 1,683,760,178 with a par value of ₱1.00.

The number of shareholders of record as of March 31, 2024, was 40. The shareholders as of the same date are as follows:

Name of Shareholder	Number of Shares	% Ownership
Century Pacific Group, Inc.	1,045,051,561	62.06%*
PCD Nominee Corp. (Non-Filipino)	150,404,771	8.93%
PCD Nominee Corp. (Filipino)	638,235,144	37.90%
Century Pacific Group, Inc.	40,000,000	2.37%
Ma. Luisa P. Lovina	13,766,511	0.81%
Leopoldo M. Prieto III	6,882,542	0.40%
Jamille P. Torres	3,706,257	0.22%
Panda Development Corporation	3,314,264	0.19%
Jamille M. P. Torres	3,176,285	0.18%
Ma. Consuelo P. Guerrero	2,923,808	0.17%
Ma. Pilar P. Lorenzo	2,923,808	0.17%
Ma. Cristina P. Moraza	2,923,808	0.17%
Carlos M. Prieto	2,923,808	0.17%
Eduardo M. Prieto	2,923,808	0.17%

Name of Shareholder	Number of Shares	% Ownership
Rosario Anne R. Prieto	2,811,823	0.16%
L.L.P. Enterprises, Inc.	2,808,968	0.16%
Ramon M. Prieto	2,760,093	0.16%
Ma. Ines P. Borromeo	1,943,056	0.11%
Ma. Teresa P. Rufino	1,514,170	0.09%
Ma. Teresa R. Prieto	1,297,653	0.07%
Python Rock Enterprises Inc.	11,100	-
Alma Bella Pil Alberastine	2,000	-
Percival Byron Salazar Bueser	2,000	-
Veronica Aguilar Pedrasa	2,000	-
Leopoldo H. Prieto, Jr.	1,427	-
Dondi Ron R. Limgenco	1,111	-
Christine F. Herrera	1,000	-
Gabrielle Claudia F. Herrera	1,000	-
John T. Lao	1,000	-
Teresa P. Marcelino	1,000	-
Celina F. Lucero	200	-
Roy Eduardo T. Lucero	200	-
Owen Nathaniel S Au ITF: Li Marcus Au	110	-
Victor Co and/or Alian Co	100	-
Shareholders' Association of the Philippines Inc.	100	-
Jesus San Luis Vanelcia	100	-
Gerardo L. Salgado	8	-
Joselito T. Bautista	1	-
Paulo L. Campos III	1	-
Botschaft N. Cheng or Sevilla Ngo	1	-
Fernan Victor P. Lukban	1	-

* Century Pacific Group, Inc. owns 836,445,141 shares of the Company in its own name and another 208,570,420 shares of the Company lodged under PCD Nominee Corp. (Filipino).

c) Dividends

Last June 20, 2023, the Company declared regular cash dividends amounting to PhP0.10 per share of common stock issued and outstanding to stockholders of record as of July 20, 2023. This amount represents the total cash declared and paid for on July 31, 2023.

There are no outstanding dividends payable as at December 31, 2023 and December 31, 2022.

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, 2023.

There has been no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

CORPORATE GOVERNANCE

1. Evaluation System

The Corporation adopted and implemented its Manual on Corporate Governance to institutionalize the principles of good corporate governance in the entire organization and to supplement its By-Laws. The Corporation maintains three (3) independent directors in its Board and has designated a Compliance Officer to oversee the implementation of the Manual. Pursuant to the Manual, the Corporation created a Corporate Governance Committee to pre-screen and shortlist all candidates nominated to become a member of the Board and to develop policies on executive remuneration. An Audit Committee was also formed to check all financial reports and to provide oversight on financial management functions.

In addition, the Corporation has implemented a Board Performance Assessment with the following Criteria and Process of evaluation:

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

The following rating system shall be used by the directors in accomplishing the self-rating form:

SA – Strongly Agree

A – Agree

N – Neither Agree Nor Disagree

D – Disagree

SD – Strongly Disagree

The form also allows the director to provide comments and suggestions to further enrich the assessment process. For further clarification on this policy and the performance assessment exercise, the Board may address their queries to the Compliance Officer.

2. Measures on leading Practices of Good Corporate Governance

The Board of Directors shall review the Manual from time to time and recommend the amendment thereof with the goal of achieving better transparency and accountability. The Compliance Officer continues to evaluate the compliance of the Corporation, its directors, officers, and employees with its existing Manual, which may be amended from time to time.

3. Any Deviation from the Manual

As certified by the Compliance Officer, there was no material deviation in compliance with the Manual for the year 2023 and for the first quarter of 2024.

4. Improvement of the Corporate Governance

The Corporation has adopted the policy of reviewing its Manual on an annual basis at the Board level with the aim of constantly improving its corporate governance.

**2024 ANNUAL STOCKHOLDERS' MEETING OF
SHAKEY'S PIZZA ASIA VENTURES INC.**

**REGISTRATION AND PROCEDURE FOR
VOTING *IN ABSENTIA*
AND
PARTICIPATION VIA REMOTE COMMUNICATION**

I. VOTING *IN ABSENTIA*

Shakey's Pizza Asia Ventures, Inc. (the "Corporation") has established a designated website in order to facilitate the registration of and voting *in absentia* by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code.

Stockholders as of May 2, 2024 (the "Stockholder/s") may register at the following web address: <https://www.shakeysgroup.ph/ir/register>. Registration shall be open from **May 25, 2024 to May 29, 2024**.

1. Upon registration, Stockholders shall be asked to provide the information and upload the documents listed below (the file size should be no larger than 5MB):
 - A. For individual Stockholders:
 - i. Email address
 - ii. First and Last Name
 - iii. Address
 - iv. Mobile Number
 - v. Current photograph of the Stockholder, with the face fully visible
 - vi. Stock certificate number and number of shares held by the stockholder
 - vii. Valid government-issued ID
 - viii. For Stockholders with joint accounts: A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account
 - B. For corporate/organizational Stockholders:
 - i. Email address
 - ii. Name of Stockholder
 - iii. Address
 - iv. Mobile Number
 - v. Phone Number
 - vi. Stock certificate number and number of shares held by the stockholder
 - vii. Current photograph of the individual authorized to cast the vote for the account (the "Authorized Voter")
 - viii. Valid government-issued ID of the Authorized Voter
 - ix. A scanned copy of the Secretary's Certificate or other valid authorization in favor of the Authorized Voter
2. Registration shall be validated by the Office of the Corporate Secretary in coordination with the Stock Transfer Agent of the Corporation. Once the Stockholder has been successfully validated, a username and password shall be generated for the Stockholder, which shall be sent to the email address indicated by the Stockholder on the registration form.
3. The registered Stockholder may then proceed to log in on the voting website using the username and password provided and cast their votes. All items in the agenda for approval shall be shown one at a time and the registered Stockholder may vote Yes, No, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
4. Once voting on all the agenda items is finished, the registered Stockholder shall be shown a summary of votes cast. The Stockholder can then proceed to submit the accomplished ballot by clicking the 'Submit' button. Before submission, the website will prompt the Stockholder to confirm the submission of the ballot.

APPENDIX 1

5. Voting shall be open from **May 30, 2024, 12:01 a.m. to June 7, 2024, 11:59 p.m.**
6. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia* together with the votes cast by proxy, and an independent third party will validate the results.
7. Stockholders who register and vote on the website for voting *in absentia* are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Corporation and by any other relevant third party for the purpose of electronic voting *in absentia* for the Annual Stockholders' Meeting and for all other purposes for which the Stockholder can cast his/her/its vote as a stockholder of the Corporation.

II. PARTICIPATION VIA REMOTE COMMUNICATION

1. Stockholders may attend the meeting on June 20, 2024 at 8:30 a.m. via the livestreaming link sent to the email address indicated by the Stockholder on the registration form. The livestream shall be broadcast via Zoom, which may be accessed either on the web browser or on the Zoom app. Those who wish to view the livestream may join the stream anonymously.
2. For purposes of quorum, only the following Stockholders shall be counted as present:
 - A. Stockholders who have registered and voted on the website for voting *in absentia* by May 29, 2024;
 - B. Stockholders who have sent their proxies via the website by June 7, 2024.

Questions and comments on the items in the Agenda, Information Statement and Management Report may be sent through the voting website. Questions or comments received on or before June 7, 2024 may be responded to during the meeting. Any questions not answered during the meeting shall be answered via email.

Appendix 2

PDTC Report As of March 31, 2024

PIZZA0000000 March 27, 2024

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

March 27, 2024

PIZZA0000000

BPNAME	QUANTITY
AB CAPITAL SECURITIES, INC.	285,739,068
PHILIPPINE EQUITY PARTNERS, INC.	152,487,464
STANDARD CHARTERED BANK	83,927,962
CITIBANK N.A.	45,845,710
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	30,033,127
GOVERNMENT SERVICE INSURANCE SYSTEM	25,536,110
A & A SECURITIES, INC.	25,521,300
REGIS PARTNERS, INC.	20,951,723
PAPA SECURITIES CORPORATION	19,804,079
MANDARIN SECURITIES CORPORATION	14,367,511
FIRST METRO SECURITIES BROKERAGE CORP.	10,305,175
S.J. ROXAS & CO., INC.	10,123,400
COL Financial Group, Inc.	8,918,489
IGC SECURITIES INC.	6,208,600
TOWER SECURITIES, INC.	6,156,100
DEUTSCHE BANK MANILA-CLIENTS A/C	5,877,100
BDO SECURITIES CORPORATION	5,574,953
BPI SECURITIES CORPORATION	5,145,035
UOB KAY HIAN SECURITIES (PHILS.), INC.	3,927,500
MBTC - TRUST BANKING GROUP	3,807,420
MAYBANK SECURITIES, INC.	3,187,502
WEALTH SECURITIES, INC.	1,539,535
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	1,369,100
PHILSTOCKS FINANCIAL INC	1,292,923
DAVID GO SECURITIES CORP.	882,400
SUMMIT SECURITIES, INC.	802,100
SB EQUITIES, INC.	593,900
A. T. DE CASTRO SECURITIES CORP.	576,800
EVERGREEN STOCK BROKERAGE & SEC., INC.	499,300
AP SECURITIES INCORPORATED	494,700
UNICAPITAL SECURITIES INC.	477,215
CAMPOS, LANUZA & COMPANY, INC.	416,000
ABACUS SECURITIES CORPORATION	406,767
TRITON SECURITIES CORP.	394,800
QUALITY INVESTMENTS & SECURITIES CORPORATION	322,000
CHINA BANK SECURITIES CORPORATION	287,500
RCBC SECURITIES, INC.	256,600
EASTERN SECURITIES DEVELOPMENT CORPORATION	220,200

DIVERSIFIED SECURITIES, INC.	215,100
SALISBURY SECURITIES CORPORATION	210,638
TANSENGCO & CO., INC.	209,000
SOLAR SECURITIES, INC.	197,000
G.D. TAN & COMPANY, INC.	171,100
OPTIMUM SECURITIES CORPORATION	167,100
R. COYIUTO SECURITIES, INC.	154,900
ALPHA SECURITIES CORP.	147,000
BERNAD SECURITIES, INC.	140,700
STANDARD SECURITIES CORPORATION	135,000
EQUITIWORLD SECURITIES, INC.	125,400
BANK OF COMMERCE - TRUST SERVICES GROUP	124,000
YU & COMPANY, INC.	123,600
YAO & ZIALCITA, INC.	113,900
HDI SECURITIES, INC.	111,500
VALUE QUEST SECURITIES CORPORATION	108,400
REGINA CAPITAL DEVELOPMENT CORPORATION	107,000
SECURITIES SPECIALISTS, INC.	99,600
NEW WORLD SECURITIES CO., INC.	89,300
E. CHUA CHIACO SECURITIES, INC.	86,600
ASIASEC EQUITIES, INC.	82,400
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	80,100
RTG & COMPANY, INC.	74,200
R. NUBLA SECURITIES, INC.	73,000
PNB TRUST BANKING GROUP	63,000
LANDBANK SECURITIES, INC.	56,800
MERIDIAN SECURITIES, INC.	56,300
INVESTORS SECURITIES, INC,	56,200
F. YAP SECURITIES, INC.	55,200
BELSON SECURITIES, INC.	55,000
PNB SECURITIES, INC.	51,500
ALAKOR SECURITIES CORPORATION	50,000
AURORA SECURITIES, INC.	47,600
INTRA-INVEST SECURITIES, INC.	45,800
FIRST ORIENT SECURITIES, INC.	35,900
SunSecurities, Inc.	33,500
ANSALDO, GODINEZ & CO., INC.	32,200
GOLDSTAR SECURITIES, INC.	32,000
EAGLE EQUITIES, INC.	32,000
ASTRA SECURITIES CORPORATION	30,000
CUALOPING SECURITIES CORPORATION	30,000
UPCC SECURITIES CORP.	29,100
PREMIUM SECURITIES, INC.	29,000
CENTURY SECURITIES CORPORATION	27,000

WESTLINK GLOBAL EQUITIES, INC.	26,600
TIMSON SECURITIES, INC.	26,600
GLOBALINKS SECURITIES & STOCKS, INC.	24,800
VENTURE SECURITIES, INC.	22,300
JSG SECURITIES, INC.	21,000
APEX PHILIPPINES EQUITIES CORPORATION	18,000
LOPEZ, LOCSIN, LEDESMA & CO., INC.	17,500
DA MARKET SECURITIES, INC.	17,000
LUYS SECURITIES COMPANY, INC.	16,200
STRATEGIC EQUITIES CORP.	16,000
AAA SOUTHEAST EQUITIES, INCORPORATED	16,000
MDR SECURITIES, INC.	15,800
PLATINUM SECURITIES, INC.	15,000
GUILD SECURITIES, INC.	13,400
SARANGANI SECURITIES, INC.	11,600
IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	11,100
EAST WEST CAPITAL CORPORATION	10,000
LARRGO SECURITIES CO., INC.	10,000
FIRST INTEGRATED CAPITAL SECURITIES, INC.	9,000
R. S. LIM & CO., INC.	6,000
STERLING BANK OF ASIA TRUST GROUP	5,800
LUCKY SECURITIES, INC.	5,000
MERCANTILE SECURITIES CORP.	5,000
FIDELITY SECURITIES, INC.	4,500
CTS GLOBAL EQUITY GROUP, INC.	3,100
I. B. GIMENEZ SECURITIES, INC.	3,000
PAN ASIA SECURITIES CORP.	3,000
R & L INVESTMENTS, INC.	3,000
LUNA SECURITIES, INC.	2,500
DEUTSCHE BANK MANILA-CLIENTS A/C	2,009
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	2,000
H. E. BENNETT SECURITIES, INC.	2,000
DRAGONFI SECURITIES, INC.	1,600
MOUNT PEAK SECURITIES, INC.	1,000
BENJAMIN CO CA & CO., INC.	600
SINCERE SECURITIES CORPORATION	100

TOTAL	788,639,915
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Appendix 3

BDO Report As of March 31, 2024

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)	638,235,144	0	638,235,144	37.905
PCD NOMINEE CORP. (NON-FILIPINO)	150,404,771	0	150,404,771	8.933
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
ROSARIO ANNE R. PRIETO	2,811,823	0	2,811,823	0.167
L.L.P. ENTERPRISES, INC.	2,808,968	0	2,808,968	0.167
RAMON M. PRIETO	2,760,093	0	2,760,093	0.164
MA. INES P. BORROMEIO	1,943,056	0	1,943,056	0.115
MA. TERESA P. RUFINO	1,514,170	0	1,514,170	0.090
MA. TERESA R. PRIETO	1,297,653	0	1,297,653	0.077
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	200	0	200	0.000
ROY EDUARDO T. LUCERO	200	0	200	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 (42)	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.

Appendix 4

**Certificate of Independent
Director of
Fernan Victor P. Lukban**

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

CERTIFICATION OF INDEPENDENT DIRECTOR

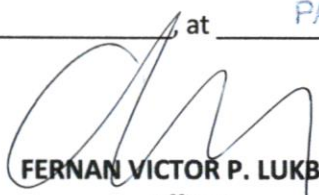
I, Fernan Victor P. Lukban, Filipino, of legal age and a resident of 6 Tyler Street, North Greenhills, San Juan, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Shakey's Pizza Asia Ventures Inc. and have been its Independent Director since 2016.
2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position/ Relationship	Period of Service
Central Azucarera de Tarlac	Non-Executive Director	9.5 years


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Shakey's Pizza Asia Ventures Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Shakey's Pizza Asia Ventures Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Shakey's Pizza Asia Ventures Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 23 2024 day of _____, at PASIG CITY.


FERNAN VICTOR P. LUKBAN
Affiant

Subscribed and sworn to before me this APR 23 2024 day of _____ at PASIG CITY, affiant personally appeared before me and exhibited to me his TIN ID with no. 112-212-739.

Doc. No. 162;
Page No. 34;
Book No. VI;
Series of 2024.


GENEVIEVE KRISTINE B. MAÑALAC
Appointment No. 45 (2023-2024)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2024
Attorney's Roll No. 80720
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634506; 01.02.24; Pasig City
IBP OR No. 330350; 12.18.23; RSM
Admitted to the Bar in 2022

Appendix 5

**Certificate of Independent
Director of
Frances J. Yu**

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

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Frances J. Yu Filipino, of legal age and a resident of 4223 South Joya, Rockwell Center, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Shakey's Pizza Asia Ventures Inc and have been an Independent Director since August 16, 2018.
2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Century Pacific Food, Inc.	Independent Director	2019 to present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Shakey's Pizza Asia Ventures Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Shakey's Pizza Asia Ventures Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Shakey's Pizza Asia Ventures Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 23 2024 day of _____, at PASIG CITY.


FRANCES J. YU
Affiant

Subscribed and sworn to before me this APR 23, 2024 day of _____ at PASIG CITY
affiant personally appeared before me and exhibited to me her TIN ID with no. 152-911-191.

Doc. No. 161
Page No. 34
Book No. 11
Series of 2024.


GENEVIEVE CHRISTINE B. MAÑALAC
Appointment No. 45 (2023-2024)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2024
Attorney's Roll No. 80720
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634506; 01.02.24; Pasig City
IBP OR No. 330350; 12.18.23; RSM
Admitted to the Bar in 2022

Appendix 6

**Certificate of Independent
Director of
Paulo L. Campos III**

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Paulo L. Campos III, Filipino, of legal age and a resident of L2 B7 Bonifacio High Street, Bonifacio Global City, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Shakey's Pizza Asia Ventures Inc. and have been its Independent Director since 2016.
2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Zalora Philippines	Executive Director	12 years


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Shakey's Pizza Asia Ventures Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Shakey's Pizza Asia Ventures Inc. and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Shakey's Pizza Asia Ventures Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 23 2024 day of _____, at PASIG CITY.


PAULO L. CAMPOS III
Affiant

Subscribed and sworn to before me this APR 23 2024 day of _____ at PASIG CITY,
affiant personally appeared before me and exhibited to me his TIN ID with no. 239-738-930.

Doc. No. 1163
Page No. 34
Book No. VI
Series of 2024.


GENEVEE KRISTINE B. MAÑALAC
Appointment No. 45 (2023-2024)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2024
Attorney's Roll No. 80720
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 1634506; 01.02.24; Pasig City
IBP OR No. 330350; 12.18.23; RSM
Admitted to the Bar in 2022

Appendix 7

Audit Financial Statements As of December 31, 2023



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

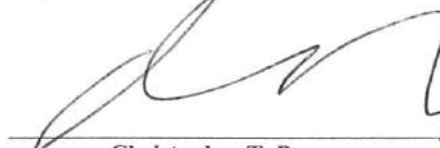
The management of Shakey's Pizza Asia Ventures, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein as at December 31, 2023 and 2022, and each of the three years in the period ended December 31, 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 Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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



Manuel T. Del Barrio
Vice-President & Chief Finance Officer

Signed this 15 day of April, 2024.

SHAKEY'S PIZZA ASIA VENTURES INC.
Km. 15 East Service Road corner Marian Road 2, San Martin De Porres,
Parañaque City



Page 2 of Statement of Management's
Responsibility for Consolidated Financial Statements

REPUBLIC OF THE PHILIPPINES)

TAGUIG CITY

) s.s.

SUBSCRIBE AND SWORN to before me this **APR 15 2024** 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
Manuel T. Del Barrio	P5309094B	Jul. 10, 2020	DFA Manila

Notary Public

Doc. No. 409
Page No. 82
Book No. XXXVII
Series of 2024.

ATTY. IRISH S. PRECION
Notary Public for Taguig City
Appointment No. 23 (2023-2024)
Roll No. 69261/06-21, 12 / 20 No. 267478/12.29.23
PTR No. A-41-201-201-02.24/Taguig City
MCLE Compliance No. 10-100815 valid until 04-14-25
Ground Floor FTI Old Admin. Bldg. FTI Complex, Taguig City
precionirishs@gmail.com / 09988534549

SHAKEY'S PIZZA ASIA VENTURES INC.
Km. 15 East Service Road corner Marian Road 2, San Martin De Porres,
Parañaque City

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S											

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

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M	a	r	i	a	n		R	o	a	D		2	,		B	a	r	a	n	g	a	y		S	a	n		M	a
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Form Type

A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	A		
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COMPANY INFORMATION

Company's Email Address

shakeyspizza.ph

Company's Telephone Number

(02)8839-0011

Mobile Number

NA

No. of Stockholders

41

Annual Meeting (Month / Day)

May 3

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Manuel Del Barrio

Email Address

mtdelbarrio@shakeys.biz

Telephone Number/s

(02)8839-0011

Mobile Number

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



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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

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 Group 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 consolidated 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.

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.



Impairment Assessment of Goodwill and Trademarks With Indefinite Useful Life

Under PFRS, the Group is required to annually test the amount of goodwill and trademarks with indefinite useful life for impairment. As of December 31, 2023, the Group's goodwill, which are attributable to the Potato Corner, Bakemasters and Peri-Peri businesses, amounting to ₱1,324.85 million, and trademarks with indefinite useful life attributable to Shakey's, Potato Corner and Peri-Peri, amounting to ₱8,769.09 million, 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, operating 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 14 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 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, 2023, 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, 2023, 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, 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, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10082028, January 6, 2024, Makati City

April 15, 2024



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

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash (Notes 6, 8 and 31)	₱901,147,527	₱989,578,790
Trade and other receivables (Notes 6, 9, 19 and 31)	1,224,789,572	1,133,066,392
Inventories (Notes 6 and 10)	1,712,217,989	1,001,114,060
Prepaid expenses and other current assets (Notes 6 and 11)	635,187,293	730,884,353
Total Current Assets	4,473,342,381	3,854,643,595
Noncurrent Assets		
Property and equipment (Notes 6 and 13)	1,833,780,583	1,764,723,405
Intangible assets (Notes 6 and 14)	10,366,799,313	10,339,886,416
Right-of-use assets (Note 15)	1,540,630,889	1,443,780,579
Deferred input value-added tax	3,886,410	9,653,323
Deferred tax assets - net (Note 30)	100,394,721	25,566,418
Rental deposits (Notes 6, 16, 31 and 32)	309,113,712	270,164,541
Total Noncurrent Assets	14,154,605,628	13,853,774,682
TOTAL ASSETS	₱18,627,948,009	₱17,708,418,277
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans payable (Notes 17)	₱700,000,000	₱500,000,000
Current portion of:		
Long-term loans payable (Notes 20 and 31)	47,876,004	47,932,514
Lease liabilities (Note 15)	275,584,146	58,902,122
Contract liabilities (Note 22)	30,059,596	13,445,337
Income tax payable	142,150,319	52,155,804
Accounts payable and other current liabilities (Notes 6, 18, 19 and 31)	1,753,136,296	2,132,213,295
Total Current Liabilities	2,948,806,361	2,804,649,072
Noncurrent Liabilities		
Long-term loans payable (Notes 20 and 31)	5,194,694,987	5,242,625,440
Noncurrent current portion of:		
Lease liabilities (Note 15)	1,555,254,353	1,641,116,052
Contract liabilities (Note 22)	117,882,366	61,226,844
Accrued pension costs (Note 27)	117,600,878	86,599,794
Deferred tax liabilities - net (Notes 6 and 30)	627,872,928	679,788,566
Dealers' deposits and other noncurrent liabilities (Note 32)	106,626,720	146,635,403
Total Noncurrent Liabilities	7,719,932,232	7,857,992,099
Total Liabilities	10,668,738,593	10,662,641,171
Equity		
Capital stock (Note 21)	1,683,760,178	1,683,760,178
Additional paid-in capital (Note 21)	2,451,116,470	2,451,116,470
Retained earnings (Note 21)	3,788,433,048	2,877,362,495
Other components of equity	35,899,720	33,537,963
Total Equity	7,959,209,416	7,045,777,106
TOTAL LIABILITIES AND EQUITY	₱18,627,948,009	₱17,708,418,277

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2023	2022	2021
REVENUE FROM CONTRACTS WITH CUSTOMERS (Notes 22)	₱12,823,923,008	₱10,142,024,578	₱5,480,427,588
COST OF SALES (Notes 23)	(9,673,051,933)	(7,546,508,401)	(4,206,711,163)
GROSS INCOME	3,150,871,075	2,595,516,177	1,273,716,425
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	(1,570,509,929)	(1,222,810,270)	(837,345,396)
INTEREST EXPENSE (Note 28)	(361,489,106)	(323,971,110)	(292,179,579)
INTEREST INCOME (Note 7)	464,950	504,742	1,276,273
OTHER INCOME - Net (Note 29)	25,073,732	49,175,399	85,211,847
INCOME BEFORE INCOME TAX	1,244,410,722	1,098,414,938	230,679,570
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 30)			
Current	291,971,466	140,130,584	24,222,135
Deferred	(127,007,314)	83,882,273	83,477,277
	164,964,152	224,012,857	107,699,412
NET INCOME	1,079,446,570	874,402,081	122,980,158
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gain on defined benefit obligation (Note 26)	3,233,804	54,741,546	75,856,746
Tax effect (Note 27)	(872,047)	(13,641,238)	(18,738,959)
	2,361,757	41,100,308	57,117,787
TOTAL COMPREHENSIVE INCOME	₱1,081,808,327	₱915,502,389	₱180,097,945
Basic/Diluted Earnings Per Share (Note 35)	₱0.64	₱0.52	₱0.08

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, 2023 AND 2022

	Capital Stock (Note 21)	Additional Paid-in Capital (Note 21)	Retained Earnings (Note 21)	Other Components of Equity (Note 27)	Total
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 21)	–	–	(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
Balances at January 1, 2022	₱1,683,760,178	₱2,451,116,470	₱2,053,473,219	(₱7,562,345)	₱6,180,787,522
Total comprehensive income	–	–	874,402,081	41,100,308	915,502,389
Cash dividends (Note 21)	–	–	(50,512,805)	–	(50,512,805)
Balances at December 31, 2022	₱1,683,760,178	₱2,451,116,470	₱2,877,362,495	₱33,537,963	₱7,045,777,106
Balances at January 1, 2021	₱1,531,321,053	₱1,353,554,797	₱1,964,168,269	(₱64,680,132)	₱4,784,363,987
Issuance of new shares (Note 21)	152,439,125	1,097,561,673	–	–	1,250,000,798
Total comprehensive loss	–	–	122,980,158	57,117,787	180,097,945
Cash dividends (Note 21)	–	–	(33,675,208)	–	(33,675,208)
Balances at December 31, 2021	₱1,683,760,178	₱2,451,116,470	₱2,053,473,219	(₱7,562,345)	₱6,180,787,522

See accompanying Notes to Consolidated Financial Statements.



SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,244,410,722	₱1,098,414,938	₱230,679,570
Adjustments for:			
Depreciation and amortization (Note 7 and 26)	757,777,196	636,955,383	499,875,646
Interest expense (Note 7 and 28)	361,489,106	323,971,110	292,179,579
Movement in pension costs	34,234,887	45,080,393	40,879,361
Loss (gain) on:			
Disposal of property and equipment (Note 29)	(1,228,757)	(67,336)	121,143
Pre-terminations of leases (Note 29)	1,226,148	(18,323,273)	(10,529,566)
Interest income from accretion (Notes 19 and 37)	(1,692,305)	(2,000,871)	(3,023,323)
Interest income from cash in bank (Notes 7)	(464,950)	(504,742)	(1,276,273)
Net unrealized foreign exchange loss (gain)	261,300	(2,212,953)	(247,925)
Provision for (reversal of) legal and other contingencies – net (Notes 29 and 34)	–	11,394,323	(1,353,452)
Fair value gain on financial assets at fair value through profit or loss (FVPL) (Note 29)	–	(404,374)	(1,949,288)
Gain on reversal of liabilities (Note 29)	–	–	(24,682,991)
Income before working capital changes	2,396,013,347	2,092,302,598	1,020,672,481
Decrease (increase) in:			
Trade and other receivables	(91,723,180)	(409,083,025)	(173,290,549)
Inventories	(711,103,929)	(568,237,834)	12,065,346
Prepaid expenses and other current assets	95,697,060	(559,930,385)	(11,085,299)
Deferred input value-added tax	5,766,913	18,581,229	20,189,422
Increase (decrease) in			
Contract liabilities (Note 36)	67,084,402	(10,737,004)	(11,172,587)
Accounts payable and other current liabilities	(379,076,999)	1,128,018,038	191,067,983
Cash generated from operations	1,382,657,614	1,690,913,617	1,048,446,797
Income taxes paid (including creditable withholding taxes)	(201,976,951)	(72,929,249)	(63,556,930)
Interest received	464,950	504,742	1,276,273
Net cash provided by operating activities	1,181,145,613	1,618,489,110	986,166,140
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of:			
Property and equipment (Note 13)	(448,155,633)	(710,050,093)	(280,137,822)
Software (Note 14)	(52,909,939)	(56,556,757)	–
Trademark (Note 14)	–	(405,000,000)	(1,243,186)
Franchise right (Note 14)	–	(2,884,236)	–
Subsidiaries (Note 6)	–	(2,063,923,182)	–
Financial assets at FVPL (Note 12)	–	–	(300,000,000)
Proceeds from:			
Disposal of property and equipment	27,577,982	181,013	123,547
Redemption of financial assets at FVPL (Note 32)	–	300,404,374	121,949,288
Collection (payment) of rental deposits (Note 36)	(37,256,866)	321,123,851	(409,172,651)
Increase (decrease) in dealers' deposits and other noncurrent liabilities	(40,008,683)	62,655,500	42,739,353
Cash acquired from business combination (Note 6)	–	20,503,549	–
Net cash used in investing activities	(550,753,139)	(2,533,545,981)	(825,741,471)

(Forward)



	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES (Note 35)			
Proceeds from availment of:			
Short-term loans (Note 17)	₱700,000,000	₱500,000,000	₱—
Long-term loans (Note 20)	—	1,600,000,000	—
Issuance of capital stock (Note 21)	—	—	1,250,000,798
Payments of:			
Short-term loans (Note 17)	(500,000,000)	—	(1,050,000,000)
Lease liabilities (Note 15)	(461,980,269)	(360,864,550)	(204,302,941)
Interest	(238,206,151)	(221,614,458)	(194,954,854)
Dividends (Note 21)	(168,376,017)	(50,512,805)	(33,675,208)
Long-term loans (Note 20)	(50,000,000)	(50,000,000)	(50,000,000)
Net cash provided by (used in) financing activities	(718,562,437)	1,417,008,187	(282,932,205)
NET INCREASE (DECREASE) IN CASH	(88,169,963)	501,951,316	(122,507,536)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(261,300)	2,212,953	247,925
CASH AT BEGINNING OF YEAR (Note 8)	989,578,790	485,414,521	607,674,132
CASH AT END OF YEAR (Note 8)	₱901,147,527	₱989,578,790	₱485,414,521

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 15, 2024.

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 profit or loss (FVPL) 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).

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) ^g	Restaurant business	Singapore	100%
Queensview International Limited (QIL) ^g	Trademark	British Virgin Islands	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%
Shanghai Miaomiao Shu Catering Co. LTD (SMSCCL)	Restaurant business	China	100%



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 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements. The amendments have been considered under "Material Accounting and Financial Reporting Policies" in Note 4.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12 *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.



Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

The Group adopted and applied the exceptions introduced by PAS 12. The current income tax expense related to Pillar Two income taxes amounted to nil in 2023.

As at April 15, 2024, the Group is in the process of gathering information and assessing the potential exposure arising from the Pillar Two legislation.

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, 2024

- 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*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

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

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*.

Occasionally, an acquirer will make a bargain purchase, which is a business combination in which the net amount resulting from the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured exceeds the aggregate of the consideration transferred.

Before recognizing a gain on a bargain purchase, the acquirer shall reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and shall recognize any additional assets or liabilities that are identified in that review. The acquirer shall then review the procedures used to measure the amounts to be recognized at the acquisition date for all of the following:

- a. the identifiable assets acquired and liabilities assumed;
- b. the noncontrolling interest in the acquiree, if any;
- c. for a business combination achieved in stages, the acquirer's previously held equity interest in the acquiree; and
- d. the consideration transferred.

If that excess remains after applying the requirements above, the acquirer shall recognize the resulting gain in profit or loss on the acquisition date. The gain shall be attributed to the acquirer.

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

The Group's financial assets are classified as financial assets at amortized cost. The Group's cash, trade and other receivables and rental and other deposits included in "Rental deposits" in the consolidated statement of financial position (see Notes 8, 9 and 16) are included in this category. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering contractual cash flows.

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 15, 17, 19 and 20), 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 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 goodwill and 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. 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 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.

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 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 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 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 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 materials and equipment. 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.

Interest Income. Revenue is recognized at a point in time which is as the 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.

Contract Balances

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.

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 consolidated statement of comprehensive income in the period these are incurred.

Leases

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.

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of COVID-19 pandemic is a lease modification and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and,
- There is no substantive change to other terms and conditions of the lease.



Rent concession received from lessors are accounted for as negative variable lease payments in profit or loss.

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 2023 and 2022 or 2% and 1% minimum corporate income tax (MCIT) rate in 2023 and 2022, 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 representing a strategic business unit that offers different products. Financial information on business segments is presented in Note 7 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 a 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 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 of 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.

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).

As at December 31, 2023 and 2022, the Group's right-of-use assets amounted to ₱1,540.6 million and ₱1,443.8 million, respectively, and the Group's lease liabilities as at those dates amounted to ₱1,830.8 million and ₱1,700.0 million, respectively. In 2023, 2022 and 2021, the Group recognized amortization of right-of use assets amounting to ₱339.9 million, ₱155.8 million and ₱155.8 million, respectively. Interest expense on lease liabilities recognized amounted to ₱111,567 million, ₱80.9 million, ₱89.1 million, respectively (see Notes 15 and 28).

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 both domestically and internationally. The agreements also include purchase of 100% shares in PCIL and QIL (collectively "the PC offshore entities"). The agreements were considered as comprising linked transactions and accounted as one business combination at the Group's consolidated financial statements.



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.

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, 2023 and 2022, the Group's lease liabilities amounted to ₱1,830.8 million and ₱1,700.0 million, respectively (see Note 15).

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 32.

Impairment of Trade and Other Receivables and Rental and Other Deposits. The Group uses a provision matrix to calculate ECLs for its trade and other receivables and rental and other deposits. 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 and other receivables amounted to ₱1,224.8 million and ₱1,133.1 million as at December 31, 2023 and 2022, respectively (see Note 9). Allowance for ECL amounted to ₱9.8 million as of December 31, 2023 and ₱9.3 million as of December 31, 2022. Provision for ECL was recognized amounting to ₱5.6 million in 2023, ₱3.1 million in 2022, and nil in 2021. Reversal of allowance for ECL amounted to ₱5.0 million in 2023 and none in 2022 and 2021 (see Notes 8).

The carrying value of rental and other deposits amounted to ₱309.1 million and ₱270.2 million as at December 31, 2023 and 2022, respectively (see Note 16). Allowance for unrecoverable rental and other deposits amounted to ₱3.3 million as at December 31, 2023 and 2022. No provision for unrecoverable deposits was recognized in 2023, 2022 and 2021 (see Note 16).

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 provision for (reversal of) inventory obsolescence in 2023 amounted to ₱0.51 million while nil in the years, 2022 and 2021. The carrying values of inventories amounted to ₱1,712.2 million as of December 31, 2023 and ₱1,001.1 million as of December 31, 2022, net of allowance for inventory obsolescence of ₱4.84 million and ₱4.33 million as at December 31, 2023 and 2022, respectively (see Note 10).

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, 2023 and 2022. No impairment loss was recognized in 2023 and 2022. The carrying values of the Group's nonfinancial assets follow:

	2023	2022
Property and equipment (see Note 13)	₱1,833,780,583	₱1,764,723,405
Software (see Note 14)	267,554,247	249,428,715
Franchise (see Note 14)	5,303,692	6,253,328
Right-of-use assets (see Note 15)	1,540,630,889	1,443,780,579
	₱3,647,269,411	₱3,464,186,027

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 useful life. 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 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 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 5.8% perpetuity growth rate was assumed at the end of the five-year forecast period for Shakey's, Bakemasters, and Peri-Peri while a 2% perpetuity growth rate was used for Potato Corner.

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 11.0% to 15.4% in 2023 and 10.9% to 14.3% 2022.

The carrying amount of goodwill and trademarks with indefinite useful life as at December 31, 2023 and 2022 are as follows:

	2023	2022
Goodwill (see Note 14)	₱1,324,852,131	₱1,324,852,131
Trademarks (see Note 14)	8,769,089,243	8,759,352,242
	₱10,093,941,374	₱10,084,204,373

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, 2023, 2022 and 2021.

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 amounted to ₱117.6 million and ₱86.6 million as at December 31, 2023 and 2022, respectively, (see Note 27).

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 27.

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 effect of COVID-19 pandemic on the macroeconomic factors are also used in developing the assumptions. 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 amounted to ₱645.68 million and ₱153.5 million as at December 31, 2023 and 2022, respectively (see Note 30).

Evaluation of Claims Under Legal and Other Contingencies. The Group is involved in certain legal actions and claims. The Group's estimate of the probable costs for the resolution of possible legal actions and claims has been developed in consultation with outside legal counsel handling the Group's defense in these matters and is based upon thorough analysis of potential results. Management believes that the ultimate liability or loss recorded in the consolidated financial statements with respect to such obligations, claims and disputes is adequate (see Notes 29 and 34).

Estimating fair values for the purchase price allocation related to Acquisition of PC business. The Group acquired PC business on March 5, 2022. The fair value of the net assets of the investee company was determined using a combination of discounted cash flows, which assumed expected future earnings stream attributable to the identified income-generating asset discounted using weighted average cost of capital and fair value less cost to sell valuation method. The Group estimated the cash flows based on average life of the identified assets.

6. Business Combination

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 considered as a comprising 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. As a result of the amendments, the value in exchange for the fair value of the net assets acquired related to the transaction amounted to ₱2,603.9 million. The purchase price consideration has been allocated based on relative fair values at date of acquisition. 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 purchase price allocation resulted to goodwill, trademarks and deferred tax liability amounting to ₱60.7 million, ₱3,208.8 million and ₱802.2 million, respectively.

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 have been 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 in its existing operations and contracts with suppliers and other partners to improve cost and efficiency. The goodwill is not deductible for tax purposes.

Had acquisition taken place on January 1, 2022, the consolidated statement of comprehensive income of the Group would have included revenues from contracts with franchisees and customers of ₱10,349.9 million and net profit of ₱921.0 million for the year ended December 31, 2022.

The revenue from contracts with customer and net income included in the consolidated statement of comprehensive income for the year ended December 31, 2022, contributed by the acquisition of PC amounted to ₱1,919.4 million and ₱303.3 million, respectively.

7. 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 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		
	2023	2022	2021
Consolidated EBITDA	₱2,363,212,074	₱2,058,836,689	₱1,021,458,522
Depreciation and amortization (Note 26)	(757,777,196)	(636,955,383)	(499,875,646)
Benefit from (provision for) income tax (Note 30)	(164,964,152)	(224,012,857)	(107,699,412)
Interest expense (Note 28)	(361,489,106)	(323,971,110)	(292,179,579)
Interest income (Note 8)	464,950	504,742	1,276,273
Consolidated net income	₱1,079,446,570	₱874,402,081	₱122,980,158



Business Segment Data

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		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Revenue from contracts with customers	₱18,560,242,446	₱12,009,059,163	₱5,388,587,125	₱773,256,366	₱723,803,089	₱305,720,125	₱646,991,634	₱517,245,262	₱405,281,225	(₱7,156,567,438)	(₱3,108,082,936)	(₱619,160,887)	₱12,823,923,008	₱10,142,024,578	₱5,480,427,588
Net income (loss)	₱1,942,165,701	₱752,854,428	(₱143,550,674)	₱570,351,859	₱579,770,208	₱218,664,056	₱74,658,791	₱54,355,160	₱50,397,202	(₱1,507,729,781)	(₱512,577,715)	(₱2,530,426)	₱1,079,446,570	₱874,402,081	₱122,980,158
Interest expense	352,747,060	312,287,074	281,935,664	540,161	3,642,826	3,132,434	8,201,885	8,041,210	7,111,481	—	—	—	361,489,106	323,971,110	292,179,579
Interest income	(339,693)	(271,268)	(1,231,358)	(66,378)	(5,781)	(6,668)	(58,879)	(227,693)	(38,247)	—	—	—	(464,950)	(504,742)	(1,276,273)
Income tax	(28,073,756)	64,817,471	24,570,587	176,293,599	145,017,283	74,533,570	16,744,309	14,178,103	10,186,506	—	—	(1,591,251)	164,964,152	224,012,857	107,699,412
Depreciation and amortization	725,335,718	603,231,555	462,050,114	—	—	—	32,441,478	32,569,233	36,670,937	—	1,154,595	1,154,595	757,777,196	636,955,383	499,875,646
EBITDA	₱2,991,835,030	₱1,732,919,260	₱623,774,333	₱747,119,241	₱728,424,536	₱296,323,392	₱131,987,584	₱108,916,013	₱104,327,879	(₱1,507,729,781)	(₱511,423,120)	(₱2,967,082)	₱2,363,212,074	₱2,058,836,689	₱1,021,458,522
EBITDA Margin													16.7%	20.3%	18.6%
Assets and Liabilities															
Operating assets	₱23,106,258,726	₱20,178,457,308	₱12,859,819,534	₱3,380,311,963	₱3,566,668,451	₱1,386,435,005	₱668,343,836	₱703,041,886	₱626,455,376	(₱8,627,361,237)	(₱6,765,315,786)	(₱2,485,953,280)	18,527,553,288	₱17,682,851,859	₱12,386,756,635
Deferred tax assets - net	100,111,915	25,566,418	248,857,614	—	—	—	3,647,797	—	454,384	(3,364,991)	—	(1,355,706)	100,394,721	25,566,418	247,956,293
Total assets	₱23,206,370,641	₱20,204,023,726	₱13,108,677,148	₱3,380,311,963	₱3,566,668,451	₱1,386,435,005	₱671,991,633	₱703,041,886	₱626,909,760	(₱8,630,726,228)	(₱6,765,315,786)	(₱2,487,308,986)	₱18,627,948,009	₱17,708,418,277	₱12,634,712,928
Operating liabilities	₱9,431,706,869	₱9,266,733,516	₱3,145,415,483	₱2,106,628,434	₱463,038,268	₱199,492,313	₱266,902,774	₱231,468,528	₱207,294,615	(₱7,706,943,403)	(₱5,768,945,661)	(₱838,834,959)	₱4,098,294,674	₱4,192,294,651	₱2,713,367,452
Interest-bearing loans and borrowings	5,942,570,991	5,790,557,954	3,740,557,954	—	—	—	—	—	—	—	—	—	5,942,570,991	5,790,557,954	3,740,557,954
Deferred tax liabilities-net	—	—	—	—	—	—	—	—	—	627,872,928	679,788,566	—	627,872,928	679,788,566	—
Total liabilities	₱15,374,277,860	₱15,057,291,470	₱6,885,973,437	₱2,106,628,434	₱463,038,268	₱199,492,313	₱266,902,774	₱231,468,528	₱207,294,615	(₱7,079,070,475)	(₱5,089,157,095)	(₱838,834,959)	₱10,668,738,593	₱10,662,641,171	₱6,453,925,406



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 concentrations of revenues from a single customer or franchisee in 2023 and 2022.

As of December 31, 2023 and 2022, 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 2023, 2022 and 2021, of the consolidated assets and revenues, respectively, of the Group:

	Years Ended December 31		Years Ended December 31		
	Total Assets		Revenue		
	2023	2022	2023	2022	2021
Shakey's International Limited (SIL)	0.01%	0.01%	0.00%	0.03%	0.07%
Shakey's Pizza Regional Foods Limited (SPRFL)	0.00%	0.00%	0.31%	0.08%	0.07%
PC International Limited (PCIL)	0.70%	0.64%	0.00%	1.29%	—
Queensview International Limited (QIL)	9.17%	10%	0.00%	0.00%	—
Shanghai Miaomiao Shu Catering Co. LTD (SMSCCL)	0.32%	—	0.00%	—	—

8. Cash

	2023	2022
Cash on hand	₱79,685,940	₱103,207,719
Cash in banks	821,461,587	886,371,071
	₱901,147,527	₱989,578,790

Cash in banks earn interest at the respective bank deposit rates. Interest income on cash amounted to ₱0.5 million, ₱0.5 million and ₱1.3 million for the years ended December 31, 2023, 2022 and 2021 respectively.

9. Trade and Other Receivables

	2023	2022
Trade:		
Franchisees	₱416,906,032	₱379,564,504
Third parties	402,961,088	334,644,122
Royalty receivable	176,925,408	170,138,255
Related parties (see Note 18)	18,458,583	24,913,919
Nontrade receivable from:		
Franchisees	61,680,414	63,775,172
National Advertising Fund (NAF)	51,829,287	50,225,215
Employees	23,383,344	31,425,291
Others		
Dividend receivable	69,640,768	71,869,359
Stores	12,844,086	15,776,201
	1,234,629,010	1,142,332,038
Less allowance for ECL	(9,839,438)	(9,265,646)
	₱1,224,789,572	₱1,133,066,392



Below are the terms and conditions of the financial assets:

- Trade receivables are non-interest bearing and are normally collectible within 10 days.
- 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 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.
- For terms and conditions of related party receivables, refer to Note 18.

The movements of allowance for ECL are as follows:

	2023			2022		
	Trade and Others	Receivables from Employees	Total	Trade and Others	Receivables from Employees	Total
Balance at beginning of year	₱8,020,079	₱1,245,567	₱9,265,646	₱4,873,440	₱1,245,567	₱6,119,007
Provision (see Note 24)	3,575,124	2,041,548	5,616,672	3,146,639	—	3,146,639
Reversals	(3,770,043)	(1,272,837)	(5,042,880)	—	—	—
Balance at year-end	₱7,825,160	₱2,014,278	₱9,839,438	₱8,020,079	₱1,245,567	₱9,265,646

For the years ended December 31, 2023, 2022 and 2021, the Group used the simplified provision matrix approach in estimating the ECL on trade and other receivables.

10. Inventories

	2023	2022
At cost:		
Finished goods	₱11,450,454	₱10,117,799
Raw materials - food	63,168,734	43,882,543
Raw materials - packaging	5,806,245	7,973,034
At NRV-		
Merchandise	1,631,792,556	939,140,684
	₱1,712,217,989	₱1,001,114,060

The cost of the merchandise inventories carried at NRV amounted to ₱1,636.6 million and ₱943.4 million as at December 31, 2023 and 2022, respectively.

The cost of merchandise and materials charged to cost of sales in the consolidated statements of comprehensive income amounted to ₱6,950.1 million in 2023 and ₱4,469.3 million in 2022 (see Note 23).

Allowance for inventory obsolescence amounted to ₱4.8 million as at December 31, 2023 and ₱4.3 million as at December 31, 2022.

Provision for (reversal of) inventory obsolescence amounted ₱0.5 million in 2023 and nil in 2022.



11. Prepaid Expenses and Other Current Assets

	2023	2022
Advances to suppliers	₱473,193,172	₱623,699,846
Prepaid taxes	90,883,087	48,360,623
Prepaid expenses	71,111,034	58,823,884
	₱635,187,293	₱730,884,353

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, dues, rent and subscription and are amortized monthly over a period of one year.

12. Financial Assets at FVPL

The Group's investments in financial assets at FVPL consisted of UITF, which have no holding period and were callable any time by the Issuer. The remaining balance amounting to ₱300.0 million was fully redeemed in 2022. Fair value gain on financial assets at FVPL included in "Other income" in the 2022 consolidated financial statements amounted to ₱0.4 million (see Note 29).



13. 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, 2021	₱264,941,019	₱1,298,311,501	₱1,223,238,197	₱220,810,643	₱26,434,990	₱26,038,151	₱21,515,578	₱130,482,753	₱3,211,771,832
Additions	201,486	349,848,646	207,740,821	15,607,393	13,293,444	12,640,449	15,815,870	94,901,984	710,050,093
Disposals	(165,153)	(866,707)	(2,094,402)	—	(1,832,767)	—	—	—	(4,959,029)
Balance at December 31, 2022	264,977,352	1,647,293,440	1,428,884,616	236,418,036	37,895,667	38,678,600	37,330,448	225,384,737	3,916,862,896
Additions	—	225,937,419	162,101,104	30,638,451	8,221,037	12,290,228	8,967,393	—	448,155,632
Disposals	(15,680,772)	(34,900,814)	(5,458,238)	(6,564,234)	(1,691,269)	(436,539)	(1,359,871)	—	(66,091,737)
Reclassification	—	87,529,089	89,824,836	—	—	5,619,558	—	(182,973,483)	—
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
Accumulated Depreciation									
Balance at December 31, 2021	66,322,525	794,302,835	794,710,109	125,676,218	16,387,203	21,420,443	19,389,187	—	1,838,208,520
Depreciation (see Notes 23, 24 and 26)	17,039,423	116,176,728	144,751,454	18,519,486	4,575,404	9,802,475	5,528,346	—	316,393,316
Disposals	—	(83,333)	(789,726)	—	(1,589,286)	—	—	—	(2,462,245)
Balance at December 31, 2022	83,361,948	910,396,230	938,671,837	144,195,704	19,373,321	31,222,918	24,917,533	—	2,152,139,491
Depreciation (see Notes 23, 24 and 26)	15,031,953	135,975,178	150,331,872	17,574,144	4,212,795	13,050,768	16,572,520	—	352,749,230
Disposals	(7,840,386)	(19,116,067)	(5,094,158)	(6,334,947)	—	(157,091)	(1,199,864)	—	(39,742,513)
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
Net Book Value									
Balance at December 31, 2022	₱181,615,404	₱736,897,210	₱490,212,779	₱92,222,332	₱18,522,346	₱7,455,682	₱12,412,915	₱225,384,737	₱1,764,723,405
Balance at December 31, 2023	₱158,743,065	₱898,603,793	₱591,442,767	₱105,057,352	₱20,839,319	₱12,035,252	₱4,647,781	₱42,411,254	₱1,833,780,583

There are no idle assets as at December 31, 2023 and 2022. The Group 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 ₱20.9 million in 2023 and ₱4.6 million in 2022.



14. Intangible Assets

The Group's intangible assets consist of:

	2023	2022
Goodwill (see Note 6)	₱1,324,852,131	₱1,324,852,131
Trademarks (see Note 6)	8,769,089,243	8,759,352,242
Software	267,554,247	249,428,715
Franchise	5,303,692	6,253,328
	₱10,366,799,313	₱10,339,886,416

In 2016, goodwill amounting to ₱1,078.6 million was recognized in connection with the acquisition of BMI while trademarks amounting to ₱4,987.1 million related to the pizza business 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.

In 2019, the Group acquired the Peri-Peri business from I-Foods, Inc. including the properties, assets and rights which are related to or are used in the said 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, respectively, were recorded as at the date of acquisition.

On August 24, 2020, the Group entered into a master franchise agreement for a consideration of ₱5.0 million (\$0.1 million) 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.

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.

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 for ₱212.3 million. 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 for ₱562.2 million.

Total consideration for the acquisition of the P2 business amounted to ₱774.5 million, 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, respectively, were recorded as at the date of acquisition. The fair value of the identifiable assets acquired, excluding trademark, amounted to ₱26.8 million.

On March 5, 2022, the Group acquired the PC business. The business acquisition resulted to additional goodwill, trademarks and deferred tax liability amounting to ₱60.7 million, ₱3,208.8 million and ₱802.2 million, respectively (see Note 5).

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

	Software	Franchise
Cost		
Balance at December 31, 2021	₱263,318,449	₱4,964,977
Additions	56,556,757	2,884,236
Balance at December 31, 2022	319,875,206	7,849,213
Additions	52,909,939	–
Balance at December 31, 2023	372,785,145	7,849,213
Accumulated Amortization		
Balance at December 31, 2021	47,705,903	886,603
Amortization (see Note 25)	22,740,588	709,282
Balance at December 31, 2022	70,446,491	1,595,885
Amortization (see Note 25)	34,784,407	949,636
Balance at December 31, 2023	105,230,898	2,545,521
Net Book Value		
Balance at December 31, 2023	₱267,554,247	₱5,303,692
Balance at December 31, 2022	₱249,428,715	₱6,253,328

The average remaining useful lives of software and franchise is 8 years and 5 years, respectively, as of December 31, 2023.

15. 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 15 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 follows:

	2023	2022
Cost		
Balance at beginning of year	₱2,376,814,694	₱1,967,648,594
Additions	482,493,291	611,244,521
Pre-terminations	(91,799,743)	(202,078,421)
Balance at end of year	2,767,508,242	2,376,814,694
Accumulated Amortization		
Balance at beginning of year	933,034,115	736,132,455
Amortization (see Notes 23, 24 and 26)	379,801,415	287,944,102
Pre-terminations	(85,958,177)	(91,042,442)
Balance at end of year	1,226,877,353	933,034,115
Net Book Value	₱1,540,630,889	₱1,443,780,579

The rollforward analysis of lease liabilities follows:

	2023	2022
Balance at beginning of year	₱1,700,018,174	₱1,480,736,519
Additions	485,848,399	610,225,027
Interest expense (see Note 28)	111,567,612	102,828,224
Payments	(461,980,269)	(360,864,550)
Pre-terminations	(4,615,417)	(130,225,864)
Lease concessions	—	(2,681,182)
Balance at end of year	1,830,838,499	1,700,018,174
Current portion of lease liabilities	275,584,146	58,902,122
Lease liabilities – non-current portion	₱1,555,254,353	₱1,641,116,052

The Group has lease contracts for stores that contains 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, 2023			
	Fixed Payments	Variable Payments	Total
Fixed	₱241,826,865	₱—	₱241,826,865
Variable rent with minimum payment	229,468,978	134,498,233	363,967,211
Variable rent only	—	9,310,431	9,310,431
	₱471,295,843	₱143,808,664	₱615,104,507

As at December 31, 2022			
	Fixed Payments	Variable Payments	Total
Fixed	₱215,689,786	₱—	₱215,689,786
Variable rent with minimum payment	203,099,643	143,992,434	347,092,077
Variable rent only	—	2,733,421	2,733,421
	₱418,789,429	₱146,725,855	₱565,515,284



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

	2023	2022
1 year	₱366,104,436	₱352,714,066
more than 1 years to 2 years	361,181,506	305,708,932
more than 2 years to 3 years	308,655,778	269,378,506
more than 3 years to 4 years	280,346,722	246,411,328
more than 5 years	994,208,082	1,331,472,556

Rent expense on short-term leases and leases of low-value assets amounted to ₱379.56 million, ₱246.5 million and ₱88.0 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Notes 23 and 24).

16. Rental Deposits

The carrying value of rental deposits, net of allowance for unrecoverable deposits (₱3.30 million in 2023 and 2022), amounted to ₱309.11 million and ₱270.16 million as at December 31, 2023 and 2022, respectively.

The Group's rental deposits are refundable at the end of the lease term which range from 3 years to 15 years. Accordingly, rental deposits are discounted based on comparable rates for similar financial instruments with rates ranging from 1.12% to 10.39% for the years ended December 31, 2023, 2022 and 2021. 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 Group uses a provision matrix to calculate ECLs for rental and other deposits. No provision was recognized in 2023, 2022 and 2021.

The accretion income from rental deposits amounted to ₱1.7 million, ₱2.0 million and ₱3.0 million in 2023, 2022 and 2021, respectively (see Note 29).

17. Short-term Loans Payable

	2023	2022
Balance at beginning of year	₱500,000,000	₱—
Additions	700,000,000	500,000,000
Payments	(500,000,000)	—
Balance at end of year	₱700,000,000	₱500,000,000

The Parent Company availed of several short-term loans amounting to ₱1,500 million with interest ranging from 3.50% to 5.50% per annum in 2020.

In 2022, the Parent Company availed of a short-term loan from the Bank of the Philippine Islands amounting to ₱500.0 million with a 2.30% effective interest rate per annum.

In 2023, The Parent Company utilized multiple short-term loans from Bank of the Philippines Islands, totaling to ₱700 million, with annual interest rates ranging from 5.58% to 6.25%.



Interest expense pertaining to short-term loans amounting to ₱25.5 million, ₱9.5 million and ₱30.9 million were recognized for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 28).

18. Accounts Payable and Other Current Liabilities

	2023	2022
Trade:		
Suppliers	₱881,714,386	₱1,442,515,377
Related parties (see Note 19)	151,700,266	127,047,981
Nontrade-		
Suppliers	191,766,451	87,883,647
Accrued expenses:		
Suppliers	129,998,023	169,771,074
Customers loyalty	36,030,849	15,635,843
Utilities	31,533,587	48,513,378
Salaries and wages	17,479,254	23,907,449
Others	1,838,479	1,536,472
Others	311,075,001	215,402,074
	₱1,753,136,296	₱2,132,213,295

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.
- For terms and conditions of related party payables, refer to Note 19.

Other payables consist of the following:

	2023	2022
Customers' deposits	₱51,781,697	₱79,152,364
Output VAT	140,029,064	18,251,158
Withholding tax payable	47,839,290	36,709,532
Retention payable	19,004,028	12,712,780
Advertising fund payable	13,428,658	—
Fun certificates payable	12,885,728	11,877,495
SSS, Philhealth and Pag-ibig payables	501,067	—
Provision (see Note 34)	—	47,073,871
Others	25,605,469	9,624,874
	₱311,075,001	₱215,402,074



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 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) 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 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 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, 2023 and 2022, 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 9)	Payable (see Note 18)		
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	2023 2022 2021	₱7,766,842 8,489,353 7,685,937	₱3,082,080 3,082,080 2,389,537	₱— — —	30-day; non-interest bearing	Unsecured; not impaired
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	2023 2022 2021	8,587,176 17,898,896 17,510,534	5,400,644 9,693,410 14,349,478	— — —	30-day; non-interest bearing	Unsecured; not impaired
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2023 2022 2021	241,786,131 248,948,140 130,969,714	— — —	142,402,642 121,785,346 51,919,361	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	2023 2022 2021	— — 99,814	— 2,778,786 2,778,786	— — —	30-day; non-interest bearing	Unsecured; not impaired
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2023 2022 2021	— — 1,392,369	— — —	— 293,488 293,488	30-day; non-interest bearing	Unsecured

(Forward)



Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance		Terms	Conditions
				Receivable (see Note 9)	Payable (see Note 18)		
Century Pacific Food, Inc. (CPFI)							
Sales	Sale of goods at prices (normally on cost-plus basis) mutually agreed upon by both parties	2023	₱26,857,813	₱9,975,859	₱—	30-day; non-interest bearing	Unsecured; not impaired
		2022	20,536,620	9,359,643	—		
		2021	22,184,403	6,410,531	—		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2023	15,232,070	—	9,297,624	30-day; non-interest bearing	Unsecured
		2022	29,380,586	—	4,969,147		
		2021	19,680,597	—	9,051,507		
		2023		₱18,458,583	₱151,700,266		
		2022		24,913,919	127,047,981		



Compensation of Key Management Personnel

The salaries and pension costs of key management personnel in 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Salaries	₱136,624,017	₱131,728,491	₱120,388,442
Pension costs	55,643,464	40,163,660	50,828,697
	₱192,267,481	₱171,892,151	₱168,507,998

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

20. Long-term Loans Payable

Long-term facility loans:

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 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 December 31, 2023 and 2022, 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 December 31, 2023 and 2022, the Group is in compliance with the aforementioned affirmative 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.

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.

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



The breakdown of the loans follows:

	2023	2022
BDO loan - principal	₱3,647,932,514	₱3,697,986,963
Less unamortized debt issue costs	5,361,523	7,429,009
BDO loan - net of unamortized debt issue costs	3,642,570,991	3,690,557,954
BPI loan	1,600,000,000	1,600,000,000
	5,242,570,991	5,290,557,954
Less current portion of loan payable	47,876,004	47,932,514
Noncurrent portion	₱5,194,694,987	₱5,242,625,440

Interest expense amounting to ₱212.9 million, ₱205.9 million and ₱166.4 million were recognized for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 28).

21. 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 2023 and 2022.

Issued and outstanding

	2023		2022	
	No. of shares	Amount	No. of shares	Amount
Balance at beginning and end of year	1,683,760,178	₱1,683,760,178	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
	Registered and Listed Shares (Original Shares)	2,000,000,000	1,179,321,053	₱1.00
December 1, 2016	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 are held by 41 equity holders as at December 31, 2023 and 2022



Retained Earnings

Details of cash dividends declared in 2023 and 2022 are as follows:

Date of Declaration	Dividend		Record Date
	Rate (per share)	Amount	
July 15, 2021	₱0.02	₱33,675,208	August 17, 2021
June 20, 2022	0.03	50,512,805	July 4, 2022
June 20, 2023	0.10	168,376,017	July 31, 2023

There are no outstanding dividends payable as at December 31, 2023 and 2022. Cash dividend declared and paid amounted to ₱168.4 million in 2023 and ₱50.5 million in 2022.

Undistributed earnings of the subsidiaries included in the Group's retained earnings amounting to ₱200.4 million and ₱282.4 million as at December 31, 2023 and 2022, 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, 2023 and 2022, respectively.

22. 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, 2023, 2022 and 2021:

	2023	2022	2021
Revenue source:			
Restaurant sales	₱8,362,853,329	₱7,206,297,269	₱3,856,896,913
Sale of goods	3,973,643,491	2,535,590,654	1,356,366,336
Royalty and franchise fees (see Note 33)	487,426,188	400,136,655	267,164,339
	₱12,823,923,008	₱10,142,024,578	₱5,480,427,588
Timing of recognition:			
Goods transferred at a point in time	₱12,787,539,880	₱10,123,187,575	₱5,457,508,873
Services rendered over time	36,383,128	18,837,003	22,918,715
	₱12,823,923,008	₱10,142,024,578	₱5,480,427,588

Contract liabilities

Below are the details of contract liabilities as at December 31, 2023 and 2022:

	2023	2022
Initial franchise fee	₱147,941,962	₱74,672,181
Less current portion	30,059,596	13,445,337
Noncurrent portion	₱117,882,366	₱61,226,844



Movements of contract liabilities arising from initial franchise fees as at and for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Balance as at January 1	₱74,672,181	₱82,197,813
Amortization of initial franchise fees	(36,383,128)	(18,837,004)
Initial franchise fees received	103,467,530	8,100,000
Accretion of interest expense (see Note 28)	6,185,379	3,211,372
Balance as at December 31	₱147,941,962	₱74,672,181

As at December 31, 2023, 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	₱30,059,596	₱6,501,216	₱36,560,812
More than one year	117,882,366	10,692,684	128,575,051
	₱147,941,962	₱17,193,900	₱165,135,863

23. Cost of Sales

	2023	2022	2021
Inventory costs (see Note 10)	₱5,647,952,421	₱4,469,334,367	₱2,231,590,400
Salaries, wages and benefits	1,091,063,729	854,700,420	564,090,965
Depreciation and amortization (see Note 26)	704,774,502	590,989,960	464,894,144
Utilities	551,091,000	436,806,339	285,447,117
Rent (see Note 15)	377,231,414	246,132,289	87,675,542
Outside services	341,734,564	239,770,198	113,920,696
Supplies	232,788,578	157,112,346	86,613,779
Delivery call fees	165,473,535	176,298,984	145,684,145
Gas expenses	157,882,862	133,789,783	75,972,071
Repairs and maintenance	99,458,417	57,686,408	60,903,968
Card charges	34,800,157	30,957,572	15,829,245
Pension costs (see Note 27)	16,310,101	21,322,594	20,500,279
Dues and subscription	10,341,176	4,005,890	22,343,628
Commissary costs	7,752,977	4,822,778	1,733,483
Seminar and training	—	12,095,750	942,877
Others	234,396,500	110,682,723	28,568,824
	₱9,673,051,933	₱7,546,508,401	₱4,206,711,163



24. General and Administrative Expenses

	2023	2022	2021
Salaries, wages and benefits	₱488,318,840	₱361,312,638	₱241,493,636
Advertising and promotions	369,757,505	283,890,781	176,819,913
Outside services	172,071,403	164,348,824	95,298,364
Taxes and licenses	135,846,838	98,087,732	105,122,992
Transportation and travel	68,176,409	47,674,426	34,930,982
Depreciation and amortization (see Note 26)	53,002,695	45,965,423	34,981,502
Supplies	38,575,244	34,735,283	31,301,760
Promotions	28,842,189	14,183,378	—
Professional fees	22,495,862	3,929,849	1,036,054
Pension costs (see Note 27)	21,041,870	26,510,801	32,379,082
Utilities	20,835,170	19,878,150	13,619,760
Senior citizen discount	15,536,713	10,717,139	—
Gas expenses	12,651,603	15,207,420	7,669,083
Dues and subscriptions	11,935,932	809,884	515,344
Start-up costs	11,218,446	18,961,866	2,064,058
Card charges	10,016,590	6,438,226	2,034,205
Royalty	7,829,969	4,358,479	29,648,015
Insurance	7,351,833	6,228,656	4,852,364
Repairs and maintenance	3,472,138	3,472,341	4,238,478
Rent (see Note 15)	2,324,887	368,136	367,260
Directors' fees	1,652,632	1,378,947	1,249,123
Provision for ECL – net (see Note 9)	701,998	3,146,639	—
Others	66,853,163	51,205,252	14,928,978
	₱1,570,509,929	₱1,222,810,270	₱837,550,953

25. Personnel Expenses

	2023	2022	2021
Salaries, wages, bonuses, and allowances:			
Cost of sales (see Note 23)	₱1,058,983,492	₱834,621,934	₱526,987,995
General and administrative expenses (see Note 24)	449,192,968	329,261,032	227,555,296
SSS, Pag-ibig, Medicare and other contributions:			
Cost of sales (see Note 23)	32,080,237	20,078,486	37,102,970
General and administrative expenses (see Note 24)	39,125,872	28,915,874	13,938,340
Pension costs:			
Cost of sales (see Notes 23 and 26)	16,310,101	21,322,593	20,500,279
General and administrative expenses (see Notes 24 and 26)	21,041,870	28,609,595	32,379,082
	₱1,616,734,540	₱1,262,809,514	₱858,463,962



26. Depreciation and Amortization

	2023	2022	2021
Property and equipment:			
Cost of sales (see Note 23)	₱323,010,907	₱372,179,083	₱309,207,492
General and administrative expenses (see Note 24)	29,738,323	23,745,266	16,409,002
Right-of-use assets:			
Cost of sales (see Note 23)	369,293,924	218,810,877	155,686,652
General and administrative expenses (see Note 24)	—	—	144,521
Software -			
Cost of sales (see Note 23)	12,469,671	—	—
General and administrative expenses (see Note 24)	22,314,736	21,510,874	17,718,697
Franchise -			
General and administrative expenses (see Note 24)	949,635	709,283	709,282
	₱757,777,196	₱636,955,383	₱499,875,646

27. 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 2023 and 2022 and accrued pension costs in the consolidated statements of financial position as at December 31, 2023 and 2022. The latest actuarial valuation is as at December 31, 2023.

	2023	2022	2021
Pension costs:			
Current service cost	₱31,186,128	₱40,276,683	₱47,905,273
Net interest cost	17,229,422	12,133,009	5,704,427
Expected return on plan assets	(11,063,579)	—	—
	₱37,351,971	₱52,409,692	₱53,609,700

	2023	2022
Accrued pension costs:		
Present value of benefit obligation (PVBO)	₱276,109,298	₱242,014,435
Fair value of plan assets (FVPA)	(158,508,420)	(155,414,641)
	₱117,600,878	₱86,599,794



Movements in the PVBO are as follows:

	2023	2022
Balance at beginning of year	₱242,014,435	₱262,655,508
Current service cost	31,186,128	40,276,683
Interest cost	17,229,422	13,098,993
Net actuarial gain	(7,189,103)	(61,589,972)
Benefits paid from plan assets	(7,131,584)	(12,426,777)
Balance at end of year	₱276,109,298	₱242,014,435

Movements in the FVPA are as follows:

	2023	2022
Balance at beginning of year	₱155,414,641	₱166,394,561
Interest income	11,063,579	8,295,283
Contributions	3,117,083	—
Net actuarial loss	(3,532,920)	—
Remeasurement - plan asset	(422,380)	(6,848,426)
Benefits paid from plan assets	(7,131,583)	(12,426,777)
Balance at end of year	₱158,508,420	₱155,414,641

Movements in the accrued pension costs are as follows:

	2023	2022
Balance at beginning of year	₱86,599,794	₱96,260,947
Pension costs	37,351,971	45,080,393
Contributions	(3,117,083)	—
Actuarial loss gain	(3,233,804)	(54,741,546)
Balance at end of year	₱117,600,878	₱86,599,794

Amounts recognized in OCI are as follows:

	2023	2022	2021
Actuarial gain (loss) - PVBO	₱7,189,103	₱61,589,972	₱82,084,789
Actuarial gain (loss) - FVPA	(3,955,299)	(6,848,426)	(6,228,043)
Deferred income tax	(872,047)	(13,641,238)	(18,738,959)
	₱2,361,757	₱41,100,308	₱57,117,787

The details of the market value of the Group's plan assets are shown below:

	2023	2022
Investments:		
Government securities	₱83,173,235	₱100,425,675
Stocks	33,038,811	6,451,827
Deposit in banks	2,710,421	4,875
Money market investment in trust funds	23,115,975	29,257,033
Other securities	15,484,979	18,483,181
Total investments	157,523,421	154,622,591

(Forward)



	2023	2022
Other assets:		
Interest receivable	₱1,065,785	₱683,671
Receivable	–	228,479
Total other assets	1,065,785	912,150
Total assets	158,589,206	155,534,741
Fees payable	(80,787)	(120,100)
Net asset value	₱158,508,419	₱155,414,641

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 risk of the plans.

The principal assumptions used in determining retirement benefit costs as at January 1, 2023, 2022 and 2021 were as follows:

	2023	2022	2021
Discount rates at beginning of year	7.12%	4.99%	3.79%
Rate of compensation increase	5.00%	5.00%	5.00%

The discount rates and salary increase rates used in determining the retirement benefit obligation as of December 31, 2023 are 6.09% 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:

	2023		2022	
	Increase (decrease)	Amount	Increase (decrease)	Amount
Discount rates	0.50% (0.50%)	(₱7,061,739) 8,592,252	0.50% (0.50%)	(₱6,243,145) 8,221,974
Salary increase rate	1.00% (1.00%)	19,190,433 (13,040,420)	1.00% (1.00%)	17,086,849 (11,418,866)

Shown below is the maturity profile of the undiscounted benefit payments as of December 31, 2023 and 2022:

	2023	2022
1 year and less	₱23,965,824	₱21,268,123
more than 1 years to 5 years	16,936,881	5,858,556
more than 5 years to 10 years	89,731,104	92,368,558
more than 10 years to 15 years	183,899,013	136,461,424
more than 15 years to 20 years	344,346,520	415,338,387
more than 20 years	6,691,846,058	7,542,694,338



The Group expects to contribute ₱50.47 million to the Fund in 2024.

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.

28. Interest Expense

	2023	2022	2021
Long-term loans payables (see Note 20)	₱212,864,549	₱205,879,581	₱166,437,238
Lease liabilities (see Note 15)	111,567,612	102,828,224	89,082,753
Short-term loans payable (see Note 19)	25,510,044	9,548,194	30,896,730
Contract liabilities (see Note 22)	6,185,379	3,642,826	3,749,821
Debt issue cost	5,361,522	2,067,486	2,013,037
Others	—	4,799	—
	₱361,489,106	₱323,971,110	₱292,179,579

29. Other Income (Charges)

	2023	2022	2021
Service fee and expired loyalty fund points	₱23,871,145	₱19,689,335	₱6,045,697
Gain (loss) on:			
Disposal of inventories	(8,471,354)	(2,630,006)	(12,250,140)
Disposal of property and equipment	1,228,757	67,336	(121,143)
Pre-termination of leases (see Note 15)	(1,226,148)	18,323,273	10,529,566
Reversal of long-outstanding liabilities	—	—	24,682,991
Recovery of receivables	—	—	23,210,194
Other income from franchisees	5,410,483	7,040,034	23,310,805
Unrealized foreign exchange gain (loss)	(2,887,382)	10,146,394	247,925
Accretion income from rental deposits (see Note 16)	1,692,305	2,000,871	3,023,323
Net reversal (provisions for) legal and other contingencies (see Note 34)	—	(11,394,323)	1,353,452
Fair value gain on financial assets at FVPL (see Note 12)	—	404,374	1,949,288
Others - net	5,455,926	5,528,111	3,229,889
	₱25,073,732	₱49,175,399	₱85,211,847



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.

30. Income Taxes

The details of the Group's net deferred tax assets are as follows:

	2023	2022
Deferred tax assets:		
Lease liabilities	₱149,148,044	₱129,791,810
NOLCO	88,107,648	21,072,622
Accrued pension costs	2,502,491	654,022
Loyalty points	1,254,062	406,176
Unamortized past service cost	506,576	818,647
Accrued bonus and other expense	149,523	2,011,581
Allowance for expected credit losses	652,646	—
	242,320,990	154,754,858
Deferred tax liabilities:		
Right-of-use-asset	141,926,269	129,173,453
Pension asset	—	14,987
	141,926,269	129,188,440
	₱100,394,721	₱25,566,418

The details of the Group's net deferred tax liabilities as of December 31, 2023 are as follows:

	2023	2022
Deferred tax assets:		
Lease liabilities	₱284,297,017	₱59,025,906
Accrued pension costs	28,405,025	20,841,349
Contract liabilities	28,053,584	6,543,943
MCIT	22,142,778	—
Difference in depreciation due to adoption of lease standard	18,379,806	31,551,183
NOLCO	11,346,647	—
Accrued bonus and other expenses	3,452,272	4,543,819
Loyalty points	2,542,031	407,102
Unamortized past service cost	1,215,518	1,855,309
Allowance for:		
Inventory obsolescence	1,190,628	1,064,150
Expected credit losses	1,372,116	1,228,669
Unrecoverable deposits	824,323	824,323
Unrealized foreign exchange loss	135,006	—
	403,356,751	127,885,753
Deferred tax liabilities:		
Excess of fair value over cost of net identifiable assets acquired in business combination (see Note 6)	805,565,467	805,565,467

(Forward)



	2023	2022
Right-of-use assets	₱224,323,832	₱—
Debt issuance cost	1,340,380	1,857,252
Unrealized foreign exchange gain	—	251,600
	1,031,229,679	807,674,319
	(₱627,872,928)	(₱679,788,566)

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%.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Group has incurred NOLCO in taxable year 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Availment Period	Amount	Applied in Previous Year/s	Expired	Applied in Current Year	Unapplied
2020	2021-2025	₱569,472,013	₱203,932,152	₱—	₱303,544,146	₱61,995,715
2022	2023-2025	21,072,622	—	—	—	21,072,622
2023	2024-2026	314,748,843	—	—	—	314,748,843
		₱905,293,478	₱203,932,152	₱—	₱303,544,146	₱397,817,180

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
2020	2021-2023	₱12,149,016	₱—	₱—	₱12,149,016	₱—
2021	2022-2024	8,396,745	—	—	8,396,745	—
2023	2024-2026	22,142,778	—	—	—	22,142,778
		₱42,688,539	₱—	₱—	₱20,545,761	₱22,142,778

The provision for current income tax represents RCIT, MCIT and final withholding taxes on royalty and franchise fees which are as follows:

	2023	2022	2021
RCIT	₱266,526,100	₱139,882,917	₱16,918,486
MCIT	22,142,778	—	11,252,265
Final withholding taxes	3,302,588	247,667	298,948
	₱291,971,466	₱140,130,584	₱28,469,699



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:

	2023	2022	2021
Provision for (benefit from) income tax computed at statutory income tax rate of 25% in 2023 and 2022, and 30% in 2020	₱311,102,681	₱274,603,734	₱57,669,893
Tax effects of:			
Nondeductible expenses	50,482,452	156,655,363	17,963,800
Reversal of provision for claims and contingencies	—	—	(9,258,250)
Application of OSD	(178,348,879)	(70,519,749)	(8,131,888)
Nontaxable:			
Other income	(15,716,527)	—	—
Interest accretion	(34,148)	(93,627)	(626,458)
Dividend income	—	(127,547,786)	—
Amortization of franchise fees	—	(3,495,276)	(3,302,588)
Income subject to final tax:			
Interest income	(2,274,513)	(373,587)	(405,026)
Fair value gain on financial assets at FVPL	—	(101,094)	(461,346)
Other income subject to 25%	(246,914)	(5,115,121)	—
Change in tax rate	—	—	54,251,275
Provision for (benefit from) income tax	₱164,964,152	₱224,012,857	₱107,699,412

31. 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 credit risk and liquidity risk. 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 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:

	2023	2022
Cash*	₱821,461,587	₱886,371,071
Trade and other receivables:	1,234,629,010	1,142,332,038
Rental and other deposits	312,411,004	254,504,587
Total credit risk exposure	₱2,368,501,601	₱2,283,207,696

*Excluding cash on hand.



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

2023						
	Neither Past Due nor Impaired	Past Due but not Impaired			Expected Credit Loss	Total
		1–180 Days	Over 360 days	Subtotal		
Cash*	₱821,461,587	₱–	₱–	₱–	₱–	₱821,461,587
Trade and other receivables	1,087,463,927	131,650,542	5,675,103	137,325,645	9,839,438	1,234,629,010
Rental and other deposits	245,867,461	–	63,246,250	63,246,25	3,297,293	312,411,004
	₱2,154,792,975	₱131,650,542	₱68,921,354	₱200,571,896	₱13,136,731	₱2,368,501,601

*Excluding cash on hand.

2022						
	Neither Past Due nor Impaired	Past Due but not Impaired			Expected Credit Loss	Total
		1–180 Days	Over 360 days	Subtotal		
Cash*	₱886,371,071	₱–	₱–	₱–	₱–	₱886,371,071
Trade and other receivables	809,236,091	323,830,301	–	323,830,301	9,265,646	1,142,332,038
Rental and other deposits	189,287,521	–	65,217,066	65,217,066	–	254,504,587
	₱1,884,894,683	₱323,830,301	₱65,217,066	₱389,047,367	₱9,265,646	₱2,283,207,696

*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 table below shows the credit quality of the Group’s neither past due nor impaired financial assets based on their historical experience with the corresponding debtors:

2023				
	Stage 1	Stage 2	Stage 3	Total
Cash*	₱821,461,587	₱–	₱–	₱821,461,587
Trade and other receivables:				
Trade receivables	361,316,833	379,066,378	–	740,383,211
Royalty receivable	176,925,409	–	–	176,925,409
Receivable from NAF	–	–	51,829,287	51,829,287
Receivable from franchisee	–	–	61,680,414	61,680,414
Receivable from employees	–	–	23,383,344	23,383,344
Other receivables	33,262,262	–	–	33,262,262
Rental and other deposits	–	–	245,867,461	245,867,461
	₱1,392,966,091	₱379,066,378	₱382,760,506	₱2,154,792,975

*Excluding cash on hand.

2022				
	Stage 1	Stage 2	Stage 3	Total
Cash*	₱886,371,071	₱–	₱–	₱886,371,071
Trade and other receivables:				
Trade receivables	257,928,959	374,028,503	–	631,957,462
Royalty receivable	170,138,255	–	–	170,138,255
Receivable from NAF	–	–	50,225,215	50,225,215
Receivable from franchisee	–	–	63,775,172	63,775,172
Receivable from employees	–	–	17,710,252	17,710,252
Other receivables	87,645,560	–	–	87,645,560
Rental and other deposits	–	–	189,287,521	189,287,521
	₱1,459,248,928	₱424,028,503	₱320,998,160	₱2,204,275,591

*Excluding cash on hand.

Financial assets classified as “stage 1” are those cash transacted with reputable local banks and financial assets with no history of default on the agreed contract terms while “stage 2” includes those financial assets being collected on due dates with an effort of collection. Financial instruments classified as “stage 3” 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 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.

	2023					Total
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	
Cash	P901,147,527	P–	P–	P–	P–	P901,147,527
Trade and other receivables						
Trade	750,241,303	72,053,021	10,500,334	–	5,531,045	838,325,703
Royalty receivables	43,257,615	10,659,071	–	6,879,438	884,290	61,680,414
Receivable from NAF	30,039,722	21,789,565	–	–	–	51,829,287
Receivable from franchisees	176,925,408	–	–	–	–	176,925,408
Receivables from employees	4,821,452	16,648,551	–	–	1,913,341	23,383,344
Other receivables	82,178,426	–	–	–	306,428	82,484,854
Rental and other deposits	245,867,461	–	–	–	66,543,544	312,411,005
	2,234,478,914	121,150,208	10,500,334	6,879,438	75,178,648	2,448,187,542
Accounts payable and other current liabilities:						
Trade payables	–	1,033,414,652	–	–	–	1,033,414,652
Nontrade payables	–	191,766,451	–	–	–	191,766,451
Accrued expenses	–	216,880,192	–	–	–	216,880,192
Other payables*	–	310,573,934	–	–	–	310,573,934
Dealers' deposit and other noncurrent payables	–	–	–	–	106,626,720	106,626,720
Long-term loans payable**	47,876,004	–	–	–	5,194,694,987	5,242,570,991
Lease liabilities	366,104,436	–	–	–	1,944,392,088	2,310,496,524
	413,980,440	1,752,635,229	–	–	7,245,713,795	9,412,329,464
Liquidity gap	P1,820,498,474	(P1,631,485,021)	P10,500,334	P6,879,438	(P7,170,535,147)	(P6,964,141,922)

*Excluding statutory payables.

**Including future interest payments.

	2022					Total
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	
Cash	P989,578,790	P–	P–	P–	P–	P989,578,790
Trade and other receivables						
Trade	424,028,503	74,099,759	231,728,638	–	7,640,101	737,497,001
Royalty receivables	170,138,255	–	–	–	–	170,138,255
Receivable from NAF	50,225,215	–	–	–	–	50,225,215
Receivable from franchisees	63,775,172	–	–	–	–	63,775,172
Receivables from employees	13,423,386	18,001,905	–	–	1,144,630	32,569,921
Other receivables	87,645,560	–	–	–	480,914	88,126,474
Rental and other deposits	189,287,521	–	–	–	65,217,066	254,504,587
	1,988,102,402	92,101,664	231,728,638	–	74,482,711	2,386,415,415
Accounts payable and other current liabilities:						
Trade payables	–	1,569,563,358	–	–	–	1,569,563,358
Nontrade payables	–	101,857,257	–	–	–	101,857,257
Accrued expenses	–	306,438,087	–	–	–	306,438,087
Other payables*	–	247,493,838	–	–	–	247,493,838
Dealers' deposit and other noncurrent payables	–	–	–	–	146,389,568	146,389,568
Long-term loans payable**	47,932,514	–	–	–	5,242,625,440	5,290,557,954
Lease liabilities	352,714,066	–	–	–	2,152,971,322	2,505,685,388
	400,646,580	2,225,352,540	–	–	7,541,986,330	10,167,985,450
Liquidity gap	P1,587,455,822	(P2,133,250,876)	P231,728,638	P–	(P7,467,503,619)	(P7,781,570,035)

*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:

	2023	2022
Total liabilities	₱10,668,738,593	₱10,662,641,171
Total equity	7,959,209,416	7,045,777,106
	1.34:1	1.51:1

32. 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, 2023				
		Fair Value		
		Carrying Value	Level 1 Quoted	Level 2 Significant Observable Input
	Date of Valuation			
Assets for which fair values are disclosed -				
Rental deposits	December 31, 2023	₱309,113,712	₱–	₱300,110,399
		₱309,113,712	₱–	₱300,110,399
Liabilities for which fair values are disclosed:				
Long-term loans payable	December 31, 2023	5,242,570,991	₱–	₱5,457,516,402
Dealers’ deposits	December 31, 2023	106,626,720	–	104,355,571
		₱5,349,197,711	₱	₱5,561,871,973



As at December 31, 2022				
		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, 2022	₱254,504,587	₱—	₱218,589,354
		₱254,504,587	₱—	₱ 218,589,354
Liabilities for which fair values are disclosed:				
Long-term loans payable	December 31, 2022	₱5,290,557,954	₱—	₱6,334,150,117
Dealers’ deposits	December 31, 2022	160,080,740	—	130,017,749
		₱ 5,450,638,694	₱—	₱6,464,167,866

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 1.65% to 8.56% as at December 31, 2023 and of 3.62% to 6.14% as at December 31, 2022.

Long-term loans Payable. The fair value of loan payable which was discounted using prevailing market rate of 4.18% and 4.29% as at December 31, 2023 and 2022, 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 4.92% and 4.69% as at December 31, 2023 and 2022, respectively.

As at December 31, 2023 and 2022, there were no transfers between Level 1 and 2 fair value measurements.

33. Commitments

Trademark Licensing and Franchise Agreements

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 ₱487.4 million in 2023, ₱400.1 million in 2022 and ₱267.2 million in 2021 (see Note 22). Royalty receivables as at December 31, 2023 and 2022 amounted ₱176.9 million and ₱170.1 million, respectively (see Note 9).



34. Provisions

	2023	2022
Balance at beginning of year	₱47,073,871	₱35,679,548
Addition (see Note 29)	–	12,653,061
Reversal (see Note 29)	–	(1,258,738)
Balance at end of year	₱47,073,871	₱47,073,871

The Group's outstanding provisions consist mainly of provisions for legal actions and claims and other contingencies which are normal to the Group's business. These include estimates settlement amounts and other costs of claims made against the Group. As allowed by PAS 37, the Group does not provide further information on these provisions and contingencies in order not to impair the outcome of the litigations, claims and disputes.

35. Earnings (Loss) 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, 2023 and 2022, hence, diluted EPS is the same as the basic EPS.

The Group's EPS were computed as follows:

	2023	2022	2021
(a) Net income (loss)	₱1,079,446,570	₱874,402,081	₱122,980,158
(b) Weighted average number of shares outstanding	1,683,760,178	1,683,760,178	1,594,837,355
Basic/diluted EPS (a/b)	₱0.64	₱0.52	₱0.08

36. Notes to Consolidated Statements of Cash Flows

The following are the noncash activities for the years ended December 31, 2023 and 2022:

	2023			
	January 1	Net cash flows	Noncash changes	December 31
Rental deposits (a)	₱270,164,541	₱37,256,866	₱1,692,305	₱309,113,712
Long-term loans payable (b)	5,790,557,954	150,000,000	2,013,037	5,942,570,991
Contract liabilities (c)	74,672,181	67,084,402	6,185,379	147,941,962



	2022			
	January 1	Net cash flows	Noncash changes	December 31
Rental deposits (a)	₱589,287,521	(₱321,123,851)	₱2,000,871	₱270,164,541
Long-term loans payable (b)	3,740,557,954	2,050,000,000	–	5,790,557,954
Contract liabilities (c)	82,197,813	(10,737,004)	3,211,372	74,672,181

Details of the noncash changes are as follows:

- Pertains to accretion of interest expense and interest income on long-term rental deposits included in “Rental and other noncurrent assets” and long-term dealer’s deposits included in “Dealer’s deposits and other noncurrent liabilities”, respectively.
- Pertains to amortization of debt issuance cost during the year amounting to ₱5.4 million and ₱2.1 million in 2023 and 2022, respectively.
- Pertains to the accretion of the significant financing component of contract liabilities during the year amounting to ₱6.2 million and ₱3.2 million in 2023 and 2022, respectively.

The changes in the Group’s liabilities arising from financing activities are as follows:

	2023						
	January 1	Additions	Proceeds	Payments	Interest expense	Other movements	December 31
Lease liabilities*	₱1,700,018,174	₱482,385,920	₱–	(₱461,980,269)	₱115,030,091	(₱4,615,417)	₱1,830,838,499
Loans payable	5,790,557,954	–	700,000,000	(550,000,000)	–	2,013,037	5,942,570,991
Dividends	–	168,376,017	–	(168,376,017)	–	–	–
Accrued interest**	–	–	–	(238,206,151)	361,489,106	(123,282,955)	–
Total liabilities from financing activities	₱7,490,576,128	₱650,761,937	₱700,000,000	(₱1,418,562,437)	₱476,519,197	(₱125,885,335)	₱7,773,409,490

*Other movements pertain to the gain on lease concession and derecognition of lease liability

**Other movements pertain to interest accretion for PFRS 15

	2022						
	January 1	Additions	Proceeds	Payments	Interest expense	Other movements	December 31
Lease liabilities*	₱1,480,736,520	₱610,225,027	₱–	(₱360,864,550)	₱102,828,224	(₱132,907,047)	₱1,700,018,174
Loans payable	3,740,557,954	–	2,100,000,000	(50,000,000)	–	–	5,790,557,954
Dividends	–	50,512,805	–	(50,512,805)	–	–	–
Accrued interest**	7,656,566	–	–	(221,614,458)	323,971,110	(110,013,218)	–
Total liabilities from financing activities	₱5,228,951,040	₱660,737,832	₱2,100,000,000	(₱682,991,813)	₱426,799,334	(₱242,920,265)	₱7,490,576,128

*Other movements pertain to the gain on lease concession and derecognition of lease liability

**Other movements pertain to interest accretion for PFRS 15



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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, included in this Form 17-A, and have issued our report thereon dated April 15, 2024. 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, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10082028, January 6, 2024, Makati City

April 15, 2024



**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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 15, 2024. 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) 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 PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 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, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10082028, January 6, 2024, Makati City

April 15, 2024



SHAKEY'S PIZZA ASIA VENTURES, INC.
Additional Requirements for Issuers of Securities to
the Public
Required by the Securities and Exchange
Commission
As at December 31, 2023

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SHAKEY’S PIZZA ASIA VENTURES, INC.
Schedule A - Financial Assets
As of December 31, 2023

HTM Investments	Name of Issuing Entity	Face Value	Amount Shown in Balance Sheet	Income Received and Accrued
Not applicable: The Company has no FVOCI or FPVL as at December 31, 2023.				
Total			-	-

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule B - Amounts Receivable from Employees
As of December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written-off	Current	Non-Current	Balance at end of Period
DBE Project Inc.	2,778,786	-	2,778,786	-	-	-	-
Century Pacific Group Inc.	3,082,080	7,766,842	7,766,842	-	3,082,080	-	3,082,080
Century Pacific Foods Inc.	9,359,643	26,857,813	26,241,597	-	9,975,859	-	9,975,859
The Pacific Meat Company Inc.	9,694,410	8,587,176	12,879,942	-	5,400,644	-	5,400,644
Receivables from employees	31,425,291	19,292,951	27,206,691	128,207	23,383,344	-	23,383,344
	P 56,339,210	P 62,504,782	P 76,873,858	P 128,207	P 41,841,927		P 41,841,927

**This consists of various small amount of receivable per employee.*

SHAKEY'S PIZZA ASIA VENTURES, INC.**Schedule C - Amounts Receivable from Related Parties which are Eliminated during
the Consolidation of Financial Statements
As of December 31, 2023**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written-off	Current	Non Current	Balance at end of Period
Shakey's Seacrest Inc.	211,901,003	112,631,047	265,240,919	-	59,291,131	-	59,291,131
Shakey's International Ltd.	58,297,652	1,546,958	-	-	59,844,611	-	59,844,611
Shakey's Pizza Commerce Inc.	1,269,757,346	3,725,594,241	2,037,373,222	-	2,957,978,365	-	2,957,978,365
Bakemasters Inc.	34,037,954	1,663,269	33,862,236	-	1,838,987	-	1,838,987
Wow Brand Holdings Inc.	209,938,126	59,950,085	57,818,933	-	177,619,260	-	177,619,260
	P 1,783,932,082	P 3,901,385,600	P 2,428,745,329	P -	P 3,256,572,353	P -	P 3,256,572,353

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule D - Intangible Assets
As of December 31, 2023

Description	Beginning Balance	Additions at Cost	Charged to Cost and Expenses	Charged to Other Accounts	Other Changes	Ending Balance
Goodwill	1,324,852,131	-	-	-	-	1,324,852,131
Trademarks	8,759,352,242	9,737,001	-	-	-	8,769,089,243
Softwares – net	249,428,715	52,909,939	34,784,407	-	-	267,554,247
Franchise Rights – net	6,253,328	-	949,634	-	-	5,303,694
Total	10,339,886,416	62,646,940	35,734,041	-	-	10,366,799,313

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule E - Long Term Debt
As of December 31, 2023

Bank	Beginning Balance	Availment	Payment	Ending Balance	Current	Non Current
Omnibus Loan and Security Agreement-BDO Unibank, Inc.	P3,700,000,000		P50,000,000	P3,650,000,000	P50,000,000	P3,600,000,000
Amortized debt issue costs	(2,013,037)		(2,067,486)	(2,067,486)		
Unamortized debt issue costs	(7,429,009)			(5,361,523)	(2,123,996)	(3,237,527)
BPI Loan	1,600,000,000			1,600,000,000		1,600,000,000
	P5,290,557,954		P47,932,514	5,242,570,991	P47,876,004	5,194,694,987

SHAKEY'S PIZZA ASIA VENTURES, INC.

Schedule F.

Indebtedness to Related Parties (Long-Term Loans from Related Companies)

December 31, 2023

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, 2023.		
	P - P	- -

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule G. Guarantees of Securities of Other Issuers
December 31, 2023

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, 2023.				
		<u>₱</u>	-	<u>₱</u>
			-	

SHAKEY'S PIZZA ASIA VENTURES, INC.**Schedule H - Capital Stock****As of December 31, 2023**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares reserved for options, warrants, conversion and other rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Common Shares	2,000,000,000	1,683,760,178		1,294,529,898	4,209,400	385,020,880

Annex A**Reconciliation of Retained Earnings
Available for Declaration**

As at December 31, 2023

SHAKEY'S PIZZA ASIA VENTURES, INC.
WOW SHAKEY'S CENTER, KM 15 EAST
SERVICE ROAD COR. MARRIAN ROAD,
SAN MARTIN DE PORRES,
PARANAQUE CITY

Items	Amount
Unappropriated Retained Earnings, beginning	2,594,937,323
Adjustments:	
Deferred tax assets (excluding the cumulative tax effect on actuarial gain on defined benefit obligation)	(342,924,572)
Unappropriated Retained Earnings, as adjusted, beginning	2,252,012,751
Net Income based on the face of AFS	1,398,623,408
Less: Non-actual losses	-
Change in deferred tax assets (excluding tax effect on actuarial gain during the year)	(51,320,180)
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	(2,271,906)
Net Income Actual/Realized	1,345,031,322
Adjustments:	
Dividend declarations during the year	(168,376,017)
Reversal of appropriations	-
Appropriation for the year	-
Unappropriated Retained Earnings, as adjusted, ending	3,428,668,056

SHAKEY'S PIZZA ASIA VENTURES INC.
CONSOLIDATED COMPANY STATEMENTS OF FINANCIAL POSITION

	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents	901,147,527	989,578,790
Trade and other receivables	1,224,789,572	1,133,066,392
Inventories	1,712,217,989	1,001,114,060
Prepaid and other current assets	635,187,293	730,884,353
Total Current Assets	4,473,342,381	3,854,643,595
Noncurrent Assets		
Property and equipment - net	1,833,780,584	1,764,723,406
Intangible Assets	10,366,799,313	10,339,886,416
Right-of-use Assets	1,540,630,889	1,443,780,579
Rental and other deposits	309,113,711	270,164,540
Deferred input value-added tax	3,886,410	9,653,323
Deferred tax assets	100,394,721	25,566,418
Total Noncurrent Assets	14,154,605,628	13,853,774,682
TOTAL ASSETS	18,627,948,009	17,708,418,277
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	1,753,136,296	2,132,213,295
Short-term loans payable	700,000,000	500,000,000
Current portion of:		
Long-term loans payable	47,876,004	47,932,514
Lease liabilities	275,584,146	58,902,122
Contract liabilities	30,059,596	13,445,337
Income tax payable	142,150,319	52,155,804
Total Current Liabilities	2,948,806,361	2,804,649,072
Noncurrent Liabilities		
Loan payable - net of current portion	5,194,694,987	5,242,625,440
Contract liabilities - net of current portion	117,882,366	61,226,844
Accrued pension costs	117,600,878	86,599,794
Lease liability	1,555,254,353	1,641,116,052
Dealer's deposits and other noncurrent liabilities	106,626,720	146,635,403
Deferred tax liabilities	627,872,928	679,788,566
Total Noncurrent Liabilities	7,719,932,232	7,857,992,099
Total Liabilities	10,668,738,593	10,662,641,171
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	3,788,433,048	2,877,362,495
Other components of equity	35,899,720	33,537,963
Total Equity	7,959,209,416	7,045,777,106
	18,627,948,009	17,708,418,277

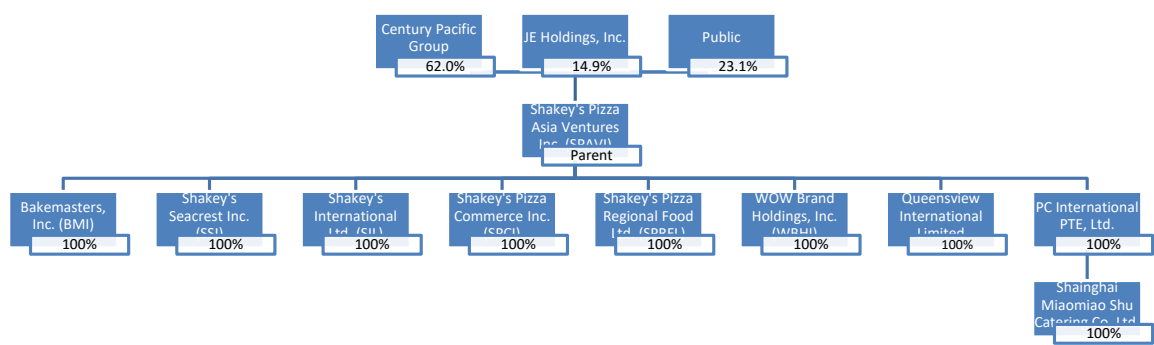
SHAKEY'S PIZZA ASIA VENTURES INC.
CONSOLIDATED COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	2023	2022
REVENUES FROM CONTRACTS WITH CUSTOMER	12,823,923,008	10,142,024,578
COSTS OF SALES	9,673,051,933	(7,546,508,401)
GROSS INCOME	3,150,871,075	2,595,516,177
GENERAL AND ADMINISTRATIVE EXPENSES	(1,570,509,929)	(1,222,810,270)
INTEREST EXPENSES	(361,489,106)	(323,971,110)
OTHER INCOME - Net	25,538,682	49,680,141
INCOME BEFORE INCOME TAX	1,244,410,722	1,098,414,938
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	(291,971,466)	(140,130,584)
Deferred	127,007,314	(83,882,273)
	(164,964,152)	(224,012,857)
NET INCOME	1,079,446,570	874,402,081
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods (net of tax) -		
Actuarial loss on defined benefit obligation	3,233,804	54,741,546
Tax effect	(872,047)	(13,641,238)
TOTAL OTHER COMPREHENSIVE INCOME	2,361,757	41,100,308
TOTAL COMPREHENSIVE INCOME	1,081,808,327	915,502,389
Basic/Diluted Earnings Per Share	0.64	0.52

SHAKEY'S PIZZA ASIA VENTURES INC.
FINANCIAL SOUNDNESS INDICATORS-FINANCIAL INDICATOR
As of December 31, 2023

Ratio	Formula	Current Year	Prior Year
Current ratio	<div> <div>Total Current Assets4,473,342,381</div> <div>Divide by: Total Current Liabilities2,948,806,361</div> <div>Current Ratio1.52</div> </div>	1.52x	1.37x
Quick/Acid test ratio	<div> <div>Total Current Assets4,473,342,381</div> <div>Less: Inventories(1,712,217,989)</div> <div>Prepayments and other Current Assets(635,187,293)</div> <div>Quick assets2,125,937,099</div> <div>Divide by: Total Current Liabilities2,948,806,361</div> <div>Quick/Acid test ratio0.72</div> </div>	0.72x	0.76x
Debt-to-equity ratio	<div> <div>Total Liabilities10,668,738,593</div> <div>Divide by: Total Equity7,959,209,416</div> <div>Debt-to-equity ratio1.34</div> </div>	1.34x	1.51x
Gearing ratio	<div> <div>Interest bearing liabilities5,942,570,991</div> <div>Divide by: Total Equity7,959,209,416</div> <div>Gearing ratio0.75</div> </div>	0.75x	0.82x
Net Gearing ratio	<div> <div>Interest bearing liabilities5,942,570,991</div> <div>Minus: Cash901,147,527</div> <div>Net5,041,423,464</div> <div>Divide by: Total Equity7,959,209,416</div> <div>Net Gearing ratio0.63</div> </div>	0.63x	0.68x
Asset-to-equity ratio	<div> <div>Total Assets18,627,948,009</div> <div>Divide by: Total Equity7,959,209,416</div> <div>Asset-to-equity ratio2.34</div> </div>	2.34x	2.51x
Interest rate coverage ratio	<div> <div>EBIT1,244,410,722</div> <div>Divide by: Interest Expenses361,489,106</div> <div>Interest rate coverage ratio3.44</div> </div>	3.44x	3.39x
Working capital turnover	<div> <div>Net Sales12,823,923,008</div> <div>Divide by: Working capital</div> <div>Current Assets4,473,342,381</div> <div>Less: Current Liabilities(2,948,806,361)</div> <div>Working Capital1,524,536,020</div> <div>Working Capital Turnover8.41</div> </div>	8.41x	9.66x
Return on equity	<div> <div>Net Income1,079,446,570</div> <div>Divide by: Total Equity7,959,209,416</div> <div>Return on equity13.56%</div> </div>	13.56%	12.41%
Return on assets	<div> <div>Net Income1,079,446,570</div> <div>Divide by: Total Assets18,627,948,009</div> <div>Return on assets5.79%</div> </div>	5.79%	4.94%
Earnings per share	<div> <div>Net Income1,079,446,570</div> <div>Average No. of shares1,683,760,178</div> <div>Earnings per share0.64</div> </div>	0.64	0.52

SHAKEY'S PIZZA ASIA VENTURES INC.
CONGLOMERATE MAP
AS OF DECEMBER 31, 2023



[EXT] Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>

Sun 4/21/2024 9:55 PM

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Transaction Code: **AFS-0-B6LCDGD7099DH9G69MQ2XYPTY04ZYQ2TP3**

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Company TIN: **000-163-396**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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Appendix 8

Interim Financial Statements As of March 31, 2024

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 **March 31, 2024**
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
6. Industry Classification Code: (SEC Use Only)
7. **15KM EAST SERVICE ROAD CORNER MARIAN ROAD 2.**
BARANGAY SAN MARTIN DE PORRES, PARANAQUE CITY
Address of issuer's principal office **1700**
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, Shakey’s Pizza Commerce, Inc., and Wow Brand Holdings Inc. (collectively, the ‘Company’ or ‘PIZZA’) as of and for the period ended March 31, 2024 and the comparative period in 2023 is attached to this 17-Q report, comprising of the following:

- 1.1 Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023
- 1.2 Consolidated Statement of Income for the period ended March 31, 2024 and March 31, 2023
- 1.3 Consolidated Statement of Cash Flows for the period ended March 31, 2024 and March 31, 2023
- 1.4 Consolidated Statement of Changes in Shareholder’s Equity for the period ended March 31, 2024 and March 31, 2024
- 1.5 Notes to Consolidated Financial Statements for the period ended March 31, 2024

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations (Based on the unaudited consolidated financial statements for the period ended March 31, 2024)

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 67.5%, 22.8%, and 14.% market shares, respectively, based on data from Euromonitor.

PIZZA has over 40 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 THREE months ending March 31, 2024 and 2023, respectively:

In ₱ Mill	THREE months ending March 31, 2024	THREE months ending March 31, 2023	Change YoY
Systemwide sales	4,782	4,175	15%
Net Revenue	3,091	2,908	6%
Cost of Sales	(2,302)	(2,277)	4%

Gross Profit	719	631	14%
Operating Expense	(472)	(336)	41%
Operating Income	248	295	-16%
EBITDA	412	457	-10%
Net income before tax	173	223	-23%
Net income after tax	171	201	-15%
<u>Margins</u>			
Gross profit margin	23.3%	21.7%	+160 bps
Operating margin	8.0%	10.2%	-210 bps
Net income margin	5.5%	6.9%	-140 bps

Results of Operation

- Shakey's Pizza Asia Ventures Inc, the Philippines' leading fast casual restaurant chain and food service group, sustains a double-digit rise in 1Q24 systemwide sales in amidst of a persisting inflationary environment.
- PIZZA reports year-to-date systemwide sales (SWS) of ₱4.8 billion, marking a growth of 15% compared to the same period last year. This performance was supported by the Group's network expansion program and a positive spillover from 4Q festivities
- Operating income lands at ₱248 million for the first quarter of 2024, down 16% versus last year's comparable period of ₱295 million. While gross margins improved on a year-on-year basis on the back of easing commodities since the end of 2023, operating income margins fell from 10.2% to 8.0% over the same period, primarily driven by progressive investments in systems and the organization since the second half of 2023 in support of both domestic and international expansion.
- As a result, net income for the first quarter of 2024 registered at ₱171 million, 15% down from the ₱201 million income in the same period the year before. PIZZA's net profit margin likewise contracted by 140 bps to 5.5%.

Financial Condition

The Company's financial stability and financial position as of March 31, 2024, is as follows:

- Cash and cash equivalents stood at ₱722 million. Cash provided by operating activities amounted to ₱195 million, with net cash used in investing activities totaling ₱267 million and net cash used in financing activities amounting to ₱108 million.
- Current ratio increased to 1.6x as of March 31, 2024, relative to 2022's 1.5x. The cash conversion cycle lengthened to 48 days from 33 days as of end 2023. Receivable and inventory days stood at 40 and 56 respectively, while accounts payable came in at 48 days.
- Net property, plant and equipment, amounted to ₱1.9 billion as of March 31, 2024. Capital expenditures for the first quarter of the year totaled ₱190 million.

- As of March 31, 2024, the Company had ₱5.9 billion in interest-bearing debt, unchanged from the year-end level.
- Net debt-to-equity ratio is measured at 1.2x as of March 31, 2024, stable relative to the 1.2x figure as of year-end 2023. Considering only interest-bearing liabilities, the Company's net gearing ratio and net interest-bearing debt-to-EBITDA stood at 0.6x and 2.3x, respectively, as of March 31, 2024.

Key Performance Indicators (KPIs)

	Unaudited 1 st Quarter 2024	Unaudited 1 st Quarter 2023
Gross Profit Margin	23%	22%
Before Tax Return on Sales	6%	8%
Return on Sales	6%	7%
Interest-Bearing Debt-to-Equity	0.7x	0.8x
Current Ratio	1.6x	1.6x

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 = Recurring Net Profit After Tax / Net Revenue

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

5 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.

A handwritten signature in black ink, appearing to read 'Vicente L. Gregorio', is written over a horizontal line.

VICENTE L. GREGORIO
President and Chief Executive Officer
Date: May 6, 2024

A handwritten signature in blue ink, appearing to read 'Manuel T. Del Barrio', is written over a horizontal line.

MANUEL T. DEL BARRIO
Vice-President and Chief Financial Officer
Date: May 6, 2024

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash	₱721,565,539	₱901,147,527
Trade and other receivables	1,430,923,793	1,224,789,572
Inventories	1,519,815,611	1,712,217,989
Prepaid expenses and other current assets	415,812,190	635,187,293
Total Current Assets	4,088,117,133	4,473,342,381
Noncurrent Assets		
Property and equipment	1,923,725,146	1,833,780,584
Intangible assets	10,396,091,443	10,366,799,313
Right-of-use assets	1,471,363,664	1,540,630,889
Deferred input value-added tax	3,432,678	3,886,410
Deferred tax assets- net	333,534,729	100,394,721
Other noncurrent assets	324,038,502	309,113,711
Total Noncurrent Assets	14,452,186,162	14,154,605,628
TOTAL ASSETS	₱18,540,303,295	₱18,627,948,009
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	₱1,310,456,022	₱1,753,136,296
Short-term loans payable	700,000,000	700,000,000
Current portion of:		
Lease Liabilities	275,608,551	275,584,146
Long-term loans payable	47,932,514	47,876,004
Contract liabilities	13,445,337	30,059,596
Income tax payable	212,187,750	142,150,319
Total Current Liabilities	2,559,630,174	2,948,806,361
Noncurrent Liabilities		
Noncurrent current portion of:		
Long-term loans payable	5,194,638,477	5,194,694,987
Lease liabilities	1,495,656,606	1,555,254,353
Contract liabilities	143,530,632	117,882,366
Accrued pension costs	126,773,109	117,600,878
Dealers' deposits and other noncurrent liabilities	94,995,064	106,626,720
Deferred tax liabilities – net	794,409,905	627,872,928
Total Noncurrent Liabilities	7,850,003,793	7,719,932,232
Total Liabilities	10,409,633,967	10,668,738,593
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	3,959,892,960	3,788,433,048
Other components of equity	35,899,720	35,899,720
Total Equity	8,130,669,328	7,959,209,416
TOTAL LIABILITIES AND EQUITY	₱18,540,303,295	₱18,627,948,009

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 THREE MONTHS ENDED MARCH 31, 2024 AND 2023

	2024 (Unaudited)	2023 (Unaudited)
REVENUES		
Net sales	₱2,979,031,132	₱2,800,476,911
Royalty and franchise fees	111,760,126	107,774,701
	3,090,791,258	2,908,251,612
COSTS OF SALES	(2,371,650,391)	(2,277,483,682)
GROSS INCOME	719,140,867	630,767,930
GENERAL AND ADMINISTRATIVE EXPENSES	(471,598,264)	(335,535,912)
INTEREST EXPENSE	(81,500,943)	(83,929,178)
OTHER INCOME- net	7,036,817	12,033,075
INCOME BEFORE INCOME TAX	173,078,477	223,335,915
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	72,578,028	81,097,647
Deferred	(70,975,144)	(58,544,922)
	1,602,883	22,552,725
TOTAL COMPREHENSIVE INCOME	₱171,475,594	₱200,783,190
Basic/Diluted Earnings Per Share	₱0.10	₱0.12

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Other Components of Equity	Total
Balances at January 1, 2024	P1,683,760,178	P2,451,116,470	P3,788,433,048	P35,899,720	P7,959,209,416
Total comprehensive income	–	–	171,459,912	-	171,459,912
Balances at March 31, 2024	P1,683,760,178	P2,451,116,470	P3,959,892,960	P35,899,720	P8,130,669,328
Balances at January 1, 2023	P1,683,760,178	P2,451,116,470	P2,877,362,495	P33,537,963	P7,045,777,106
Total comprehensive income	–	–	200,783,190	–	200,783,190
Balances at March 31, 2023	P1,683,760,178	P2,451,116,470	P3,078,145,685	P33,537,963	P7,246,560,296

**SHAKEY'S PIZZA ASIA VENTURES INC.
AND SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

	2023 (Unaudited)	2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P173,078,477	P223,335,915
Adjustments for:		
Depreciation and amortization	157,835,073	149,987,039
Interest expense	81,500,943	83,929,178
Increase in accrued pension costs	9,172,231	13,916,230
Interest income	(81,443)	(78,862)
Unrealized foreign exchange loss (gain)	(235,815)	405,720
Income before working capital changes	421,269,466	471,495,220
Decrease (increase) in:		
Trade and other receivables	(206,134,221)	41,984,314
Inventories	192,402,378	(154,457,408)
Prepaid expenses and other current assets	219,375,103	257,282,140
Increase (decrease) in:		
Accounts payable and other current liabilities	(442,680,274)	(702,765,304)
Contract liabilities	10,952,496	621,334
Net cash generated from operations	195,184,948	(85,839,705)
Income tax paid	-	(2,060,837)
Interest received	81,443	78,862
Net cash provided by operating activities	195,266,391	(87,821,680)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Other noncurrent assets	(30,651,354)	3,095,291
Deferred input value added tax	3,494,391	530,222
Increase (decrease) in:		
Dealer's deposits and other noncurrent liabilities	(14,924,790)	6,353,160
Acquisition of property and equipment	(189,809,410)	(101,319,674)
Proceeds from redemption of financial assets at FVPL	-	-
Net cash used in investing activities	(266,540,303)	(91,341,002)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of long- term loan	-	-
Proceeds from availment of short- term loan	-	-
Payment of interest	(61,476,502)	(60,956,249)
Payment of lease liability	(47,747,166)	(66,924,355)
Net cash provided by financing activities	(109,223,668)	(127,880,605)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	915,593	(405,720)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(179,581,987)	(307,449,007)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	901,147,526	989,578,790
CASH AND CASH EQUIVALENTS AT END OF YEAR	P721,565,539	P682,129,783

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 May 5, 2023.

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%
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%

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 PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

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, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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 considered 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 nine months ended March 31, 2023 and 2022:

	March 31, 2024	March 31, 2023
Consolidated EBITDA	P412,333,050	P457,173,270
Depreciation and amortization	(157,835,073)	(149,987,039)
Provision for income tax	(1,602,883)	(22,552,725)
Interest expense	(81,500,943)	(83,929,178)
Interest income	81,443	78,862
Consolidated net income	P171,475,594	P200,783,190

6. Cash and Cash Equivalents

	March 31, 2024	December 31, 2023
Cash on hand	P130,082,657	P79,685,940
Cash in banks	591,482,881	821,461,587
	P721,565,539	P901,147,527

Cash in banks earn interest at the respective bank deposit rates. Interest income on cash and cash equivalents amounted to P0.1 million and P0.1 million for the three months ended March 31, 2024 and 2023, respectively.

7. Trade and Other Receivables

	March 31, 2024	December 31, 2023
Trade:		
Franchisee	P607,974,620	P416,906,032
Third parties	306,312,149	403,171,544
Related parties	18,258,205	18,458,583
Royalty receivable	45,396,431	131,528,977
Receivable from:		
Franchisees	225,393,864	61,680,414
National Advertising Fund (NAF)	51,829,287	51,829,287
Employees	34,956,796	23,383,864
Others	150,852,334	82,484,854
	1,440,973,687	1,234,839,466
Less allowance for doubtful account	(10,049,894)	(10,049,894)
	P1,430,923,793	P1,224,789,572

Below are the terms and conditions of the financial assets:

- Trade receivables are noninterest-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:

	March 31, 2024			December 31, 2023		
	Trade and Others	Receivables from Employees	Total	Trade and Others	Receivables from Employees	Total
Balance at beginning of year	P8,035,616	P2,014,278	P10,049,894	P8,020,079	P1,245,567	P9,265,646
Provision	–	–	–	15,537	768,711	784,248
Balance at reporting date	P8,035,616	P2,014,278	P10,049,894	P8,035,616	P2,014,278	P10,049,894

8. Inventories

	March 31, 2024	December 31, 2023
At cost -		
Finished goods	P17,067,288	P11,450,454
At NRV:		
Merchandise	1,457,809,623	1,631,792,556
Raw materials - food	27,132,463	63,168,734
Raw materials - packaging	17,806,237	5,806,245
	P1,519,815,611	P1,712,217,989

Allowance for inventory obsolescence amounted to P4.8 million as at March 31, 2024 and December 31, 2023.

9. Prepaid Expenses and Other Current Assets

	March 31, 2024	December 31, 2023
Advances to suppliers	P192,812,569	P473,193,172
Prepaid taxes	155,517,632	71,111,034
Prepaid expenses	67,481,989	90,883,087
	P415,812,190	P635,187,293

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, 2022	P264,977,352	P1,647,293,440	P1,428,884,616	P236,418,036	P37,895,667	P38,678,600	P37,330,448	P225,384,737	P3,916,862,896
Additions	-	225,937,419	162,101,104	30,638,451	8,221,037	12,290,228	8,967,393	-	448,155,632
Disposals	(15,680,772)	(34,900,814)	(5,458,238)	(6,564,234)	(1,691,269)	(436,539)	(1,359,871)	-	(66,091,737)
Reclassification	-	87,529,089	89,824,836	-	-	5,619,558	-	(189,973,483)	-
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	-	75,241,267	77,248,697	2,085,737	1,037,501	7,617,426	906,279	25,672,737	189,809,410
Disposals	-	(198,846)	(2,714,015)	-	-	-	-	-	(2,912,861)
Balance at March 31, 2024	P249,296,580	P2,000,901,555	P1,749,887,000	P262,577,990	P45,462,936	P63,769,273	P45,844,249	P68,083,756	P4,485,823,340
Accumulated Depreciation									
Balance at December 31, 2022	83,361,948	910,396,230	938,671,837	144,195,704	19,373,321	31,222,918	24,917,533	-	2,152,139,491
Depreciation	15,031,953	135,975,178	150,331,872	17,574,144	4,212,795	13,050,768	16,572,520	-	352,749,230
Disposals	(7,840,386)	(19,116,067)	(5,094,158)	(6,334,947)	-	(157,091)	(1,199,864)	-	(39,742,513)
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	3,667,779	38,588,754	44,622,125	4,762,815	1,055,713	3,790,339	375,115	-	96,862,640
Disposals	-	-	-	-	-	-	-	-	-
Balance at March 31, 2024	94,221,294	1,065,844,095	1,128,621,022	160,197,716	24,641,829	47,906,934	40,665,304	-	2,562,098,194
Net Book Value									
Balance at December 31, 2023	P158,743,065	P898,603,793	P591,442,767	P105,057,352	P20,839,319	P12,035,252	P4,647,781	P42,411,254	P1,833,780,583
Balance at March 31, 2024	P155,075,286	P935,057,460	P621,265,978	P102,380,275	P20,821,107	P15,862,339	P5,718,945	P68,083,756	P1,923,725,146

There are no idle assets as at March 31, 2024 and December 31, 2023. 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:

	March 31, 2024	December 31, 2023
Goodwill	₱1,324,852,131	₱1,324,852,131
Trademarks	8,775,016,633	8,769,089,243
Software	291,199,315	267,554,247
Franchise right	5,023,364	5,303,692
	₱10,396,091,443	₱10,366,799,313

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:

	March 31, 2024	December 31, 2023
Cost		
Balance at beginning of year	₱2,767,508,242	₱2,376,814,694
Additions		482,493,291
Pre-terminations		(91,799,743)
Balance at end of year		2,767,508,242
Accumulated Amortization		
Balance at beginning of year	1,540,630,889	933,034,115
Amortization		379,801,415
Pre-terminations		(85,958,177)
Balance at end of year		1,226,877,353
Net Book Value	₱1,471,363,664	₱1,540,630,889

The rollforward analysis of lease liabilities follows:

	March 31, 2024	December 31, 2023
Balance at beginning of year	₱1,830,838,499	₱1,700,018,174
Additions	—	485,848,399
Interest expense	49,650,326	111,567,612
Payments	(109,223,668)	(461,980,269)
Pre-terminations	—	(4,615,417)
Lease concessions	—	—
Balance at end of year	1,771,265,157	1,830,838,499
Current portion of lease liabilities	275,608,551	275,584,146
Lease liabilities -net of current portion	₱1,495,656,606	₱1,555,254,146

The Group has lease contracts for stores that contains 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:

h8

	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 March 31, 2024	₱141,016,988	₱44,695,303	₱185,712,291

	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 of March 31, 2023	₱141,016,988	₱44,695,303	₱185,712,291

13. Accounts Payable and Other Current Liabilities

	March 31, 2024	December 31, 2023
Trade:		
Suppliers	₱98,235,781	₱881,714,386
Related parties	167,947,152	151,700,266
Nontrade	283,034,794	191,766,451
Accrued expenses:		
Suppliers	262,509,084	129,998,023
Utilities	27,624,040	31,533,587
Salaries and wages	3,500,844	17,479,254
Customers loyalty	47,549,476	36,030,849
Interest	-	38,954,319
Others	10,894,744	1,838,479
Other payables	409,160,107	311,075,001
	₱1,310,456,022	₱1,753,136,296

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:

	March 31, 2024	December 31, 2023
Output VAT	₱172,490,3800	₱140,029,064
Customers' deposits	56,293,637	51,781,597
Provision	46,575,601	-
Withholding tax payable	78,817,587	47,839,290
Retention Payable	21,099,045	19,004,028
Fun certificates payable	11,576,185	12,885,728
Others	22,307,672	26,106,536
	₱409,160,107	₱311,075,001

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 March 31, 2024 and 2023, 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		Terms	Conditions
				Receivable	Payable		
Century Pacific Group Inc. (CPGI, Ultimate Parent Company)							
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost plus basis	2024 2023	1,941,710 8,911,697	3,082,080 6,164,160	692,543 –	30-day; non-interest bearing	Unsecured
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	2024 2023	4,175,566 13,324,424	12,600,417 17,318,313	– –	30-day; non-interest bearing	Unsecured; not impaired
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost plus basis	2024 2023	37,006,698 66,965,245	– –	105,981,216 12,243,597	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	2024 2023	– 99,814	- 2,778,786	– –	30-day; non-interest bearing	Unsecured; not impaired
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2024 2023	– –	– –	– –	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	2024 2023	6,424,768 7,384,601	8,456,195 6,064,814	– –	30-day; non-interest bearing	Unsecured; not impaired
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost plus basis	2024 2023	9,828,764 11,008,295	– –	42,686,514 11,487,941	30-day; non-interest bearing	Unsecured
			2024 2023	24,138,693 32,326,073	149,360,274 23,731,537		

Compensation of Key Management Personnel

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

	For the three months ended March 31,	
	2024	2023
Salaries	₱58,808,101	₱47,928,718
Pension costs	1,412,367	9,379,845
	₱60,220,468	₱57,308,562

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

15. Short-term Loans Payable

	March 31, 2023	December 31, 2023
Balance at beginning of year	₱700,000,000	₱500,000,000
Additions	–	200,000,000
Balance at end of year	₱700,000,000	₱700,000,000

As at March 31, 2023, the loan has outstanding amount of ₱500.0 million with interest rate of 2.30% per annum. Interest expense pertaining to short-term loans amounting to ₱4.9 million and ₱4.9 million was recognized for the periods ended March 31, 2024 and 2023, respectively.

16. Long-term Loan PayableLong-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 at March 31, 2023 and December 31, 2022, 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.

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

The breakdown of the loan is as follows:

	March 31, 2024	December 31, 2023
BDO loan - principal	₱3,642,570,991	₱3,647,932,514
Less unamortized debt issue costs	7,429,009	5,361,523
BDO loan – net of unamortized debt issue cost	3,690,557,954	3,642,570,991
BPI loan	1,600,000,000	1,600,000,000
Less current portion of long-term loan	47,932,514	47,876,004
Noncurrent portion	₱5,194,638,477	₱5,194,694,987

Interest expense amounting to ₱56.0 million and ₱56 million was recognized for the three months ended March 31, 2024 and 2023, 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
	Registered and Listed Shares (Original Shares)	2,000,000,000	1,179,321,053	₱1.00
December 1, 2016	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 are held by 42 equity holders as at March 31, 2024 and 41 equity holders as at December 31, 2023.

Retained Earnings

Details of cash dividends declared in 2022 and 2021 are as follows:

Date of Declaration	Dividend		Record Date
	Rate (per share)	Amount	
July 15, 2021	0.02	33,675,208	August 17, 2021
June 20, 2022	0.03	50,512,805	July 4, 2022
June 20, 2023	0.10	168,376,017	July 31, 2023

There is no outstanding dividends payable as at March 31, 2024 and December 31, 2023.

Undistributed earnings of the subsidiaries included in the Group's retained earnings amounting to ₱258 million as at March 31, 2024 and ₱200.4 million as at December 31, 2023 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 March 31, 2024 and December 31, 2023, 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 March 31, 2024 and December 31, 2023, hence, diluted EPS is the same as the basic EPS.

The Group's EPS were computed as follows:

	For the three months ended March 31,	
	2023	2022
(a) Net income (loss)	₱171,475,594	₱200,783,190
(b) Weighted average number of shares outstanding	1,683,760,178	1,683,760,178
Basic/ diluted EPS (a/b)	₱0.10	₱0.12

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:

	March 31, 2024	December 31, 2023
Cash*	P591,482,881	P821,461,587
Trade and other receivables	1,439,851,287	1,234,629,010
Rental and other deposits	328,399,312	312,411,004
Total credit risk exposure	P2,489,816,137	P2,368,501,601

*Excluding cash on hand.

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

March 31, 2024						
	Neither Past Due nor Impaired	Past Due but not Impaired		Subtotal	Impaired	Total
		1–180 Days	Over 181 days			
Cash*	P591,482,881	P–	P–	P–	P–	P591,482,881
Trade and other receivables	1,123,037,020	303,132,406	3,631,966	306,764,372	10,049,894	1,439,851,287
Rental and other deposits	255,855,289	–	69,246,730	69,246,730	–	328,399,312
	P1,638,844,631	P245,135,521	P61,898,017	P307,033,538	P9,265,646	P1,955,143,815

*Excluding cash on hand.

December 31, 2023						
	Neither Past Due nor Impaired	Past Due but not Impaired		Subtotal	Impaired	Total
		1–180 Days	Over 181 days			
Cash*	P821,461,587	P–	P–	P–	P–	P821,461,587
Trade and other receivables	1,087,463,927	131,650,542	5,675,103	137,325,645	9,839,438	1,234,629,010
Rental and other deposits	245,867,461	–	63,246,251	63,246,251	3,297,293	312,411,004
	P2,154,792,975	P131,650,542	P68,921,354	P200,571,896	P13,136,731	P2,368,501,601

*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:

March 31, 2024				
	High grade	Medium grade	Standard grade	Total
Cash*	P591,482,881	P–	P–	P591,482,881
Trade and other receivables:				
Trade receivables	356,166,813	278,028,639	–	634,195,452
Royalty receivable	45,396,431	–	–	45,396,431
Receivable from franchisee	–	–	225,393,864	225,393,864
Receivable from NAF	–	–	51,829,287	44,091,868
Receivable from employees	–	–	20,939,121	20,939,121
Other receivables	145,282,866	–	–	145,282,866
Rental and other deposits	–	–	255,855,289	255,855,289

	P1,138,328,991	P278,028,639	P554,017,560	P1,970,375,190
<i>*Excluding cash on hand.</i>				
	December 31, 2023			
	High grade	Medium grade	Standard grade	Total
Cash*	P821,461,587	P–	P–	P821,461,587
Trade and other receivables:				
Trade receivables	361,316,833	379,066,378	–	740,383,211
Royalty receivable	176,925,409	–	–	176,925,409
Receivable from NAF	–	–	51,829,287	51,829,287
Receivable from franchisee	–	–	61,680,414	61,680,414
Receivable from employees	–	–	23,383,344	23,383,344
Other receivables	33,262,262	–	–	33,262,262
Rental and other deposits	–	–	245,867,461	245,867,461
	P1,392,966,091	P379,066,378	P382,760,506	P2,154,792,975

**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.

	March 31, 2024					
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Cash	P721,565,539	P–	P–	P–	P–	P721,565,539
Trade and other receivables						
Trade	634,195,452	82,556,640	207,115,781	–	7,554,702	931,422,575
Royalty receivables	45,396,431	–	–	–	–	45,396,431
Receivable from franchisees	225,393,864	–	–	–	–	225,393,864
Receivable from NAF	51,829,287	–	–	–	–	51,829,287
Receivables from employees	20,939,121	11,046,348	957,050	–	2,014,278	34,956,796
Other receivables	150,371,420	–	–	–	480,914	150,852,334
Rental and other deposits	255,855,289	–	–	69,246,730	3,297,293	328,399,312
	2,105,546,402	93,602,987	208,072,830	69,246,730	13,347,187	2,489,816,137
Accounts payable and other current liabilities:						
Trade payables	–	266,182,932	–	–	–	266,182,932
Nontrade payables	–	283,034,794	–	–	–	283,034,794
Accrued expenses	–	341,183,444	–	–	–	341,183,444
Other payables*	–	157,852,140	–	–	–	157,852,140
Dealers’ deposit and other noncurrent payables	–	–	–	–	94,995,064	94,995,064
Long-term loans payable**	47,932,514	–	–	–	5,194,638,477	5,242,570,991
	47,932,514	1,048,253,312	–	–	5,289,633,541	6,385,819,366
Liquidity gap	P2,057,613,888	(P954,650,324)	P208,072,830	P69,246,730	(P5,276,286,354)	(P3,896,003,229)

**Excluding statutory payables.*

***Including future interest payments.*

	December 31, 2023					Total
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	
Cash	P901,147,527	P–	P–	P–	P–	P901,147,527
Trade and other receivables						
Trade	750,241,303	72,053,021	10,500,334	–	5,531,045	838,325,703
Royalty receivables	43,257,615	10,659,071	–	6,879,438	884,290	61,680,414
Receivable from NAF	30,039,722	21,789,565	–	–	–	51,829,287
Receivable from franchisees	176,925,408	–	–	–	–	176,925,408
Receivables from employees	4,821,452	16,548,551	–	–	1,913,341	23,383,344
Other receivables	82,178,426	–	–	–	306,428	82,484,584
Rental and other deposits	245,867,461	–	–	–	66,543,544	312,411,005
	2,234,478,914	121,150,208	10,500,334	6,679,438	75,178,648	2,448,187,542
Accounts payable and other current liabilities:						
Trade payables	–	1,033,414,652	–	–	–	1,033,414,652
Nontrade payables	–	191,766,451	–	–	–	191,766,451
Accrued expenses	–	216,880,192	–	–	–	216,880,192
Other payables*	–	310,573,934	–	–	–	310,573,934
Dealers' deposit and other noncurrent payables	–	–	–	–	106,626,720	106,626,720
Long-term loans payable**	47,932,514	–	–	–	5,194,694,987	5,242,570,991
Lease Liability	366,104,436	–	–	–	1,944,392,088	2,310,496,524
	413,980,440	1,752,635,229	–	–	7,245,713,795	9,412,329,464
Liquidity gap	P1,820,498,474	(P1,631,485,021)	P10,500,334	P6,679,438	(P7,170,535,147)	(P6,964,141,922)

*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:

	March 31, 2024	December 31, 2023
Total liabilities	10,409,633,967	10,668,738,593
Total equity	8,130,669,328	7,959,416
	1.28:1	1.34 :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 March 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	March 31, 2024	₱328,399,312	₱—	₱328,399,312
Liabilities for which fair values are disclosed:				
Long-term loans payable	March 31, 2024	₱5,242,570,991	₱—	₱5,457,516,402
Dealers' deposits	March 31, 2024	94,995,064	—	94,995,064
		₱5,337,566,055	₱—	₱5,337,566,055

As at December 31, 2023				
	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, 2023	309,113,712	–	300,110,399
		P309,113,712	P–	P300,110,399
Liabilities for which fair values are disclosed:				
Long-term loans payable	December 31, 2023	P5,242,570,991	P–	P5,457,516,402
Dealers’ deposits	December 31, 2023	106,626,720	–	104,355,571
		P5,349,197,711	P–	P5,561,871,973

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 1.65% as at March 31, 2024 and December 31, 2023.

Long-term loans Payable. The fair value of loan payable which was discounted using prevailing market rate of 4.18% as at March 31, 2024 and December 31, 2023 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 4.69% and 4.92% as at March 31, 2024 and December 31, 2023.

As at March 31, 2024 and December 31, 2023, there were no transfers between Level 1 and 2 fair value measurements.

Appendix 9

ASM Minutes June 20, 2023

**MINUTES
OF THE
ANNUAL MEETING OF STOCKHOLDERS OF
SHAKEY'S PIZZA ASIA VENTURES INC.
(via remote communication)
Monday, June 20, 2023, AT 8:30 O'CLOCK IN THE MORNING**

Number of shares held by shareholders:

Present in Person or Represented by Proxy, and Participant Brokers	-	1,381,722,011
Number of Total Outstanding Shares Preferred and Common	-	1,683,760,178
Percentage of the Total Shares Represented By Proxies and In Person	-	82.02%

Incumbent Directors Present:

Mr. Christopher T. Po	Chairman
Mr. Ricardo Gabriel T. Po	Vice Chairman
Mr. Teodoro Alexander T. Po	Vice Chairman
Mr. Vicente L. Gregorio	President and CEO
Mr. Leonardo Arthur T. Po	Treasurer
Mr. Lance Y. Gokongwei	Director
Mr. Fernan Victor P. Lukban	Independent Director
Mr. Paulo L. Campos III	Independent Director
Ms. Frances J. Yu	Independent Director

Also Present:

Maria Pilar P. Lorenzo	Consultant of the Board
Leopoldo P. Prieto, Jr.	
Manuel T. Del Barrio	Chief Financial Officer, Compliance Officer, Chief Risk Officer and Chief Information Officer
Adrian Foo Qijing	GIC Private Limited Representative
Weihan Wong	GIC Private Limited Representative
Jorge Maria Q. Concepcion	Shakey's General Manager
Jose Arnold T. Alvero	Chief Operating Officer and Business Unit Head of Potato Corner
Alois Brielbeck	BMI General Manager

Maria Elma C. Santos

Gilbert Tolentino

Darel G. Pallesco

Yiow Leong Tan

Oliver Angelo C. Sicam

Karina Kellda M. Centeno

Myrose April C. Victor

Maria Rosario L. Ybanez

Peri Peri General Manager and Chief Human Resources Officer

Corporate Business Development Head

Corporate Internal Audit Manager

Group Director for International

Group Director for Marketing

Group Director for Digital, Loyalty and Delivery

Investor Relations Head

Corporate Secretary

I. Call to Order

The Chairperson, Mr. Christopher T. Po, called the meeting to order and presided over the meeting.

II. Proof of Notice and Determination of Existence of Quorum

The Corporate Secretary, Atty. Maria Rosario L. Ybanez, certified that (a) notices for the annual stockholders' meeting together with the agenda and the Definitive Information Statement of the Corporation were disclosed via PSE EDGE and posted on the Corporation's website on May 17, 2023 and were published in two (2) newspapers of general circulation on May 23 and 24, 2023, and (b) based on the record of attendance, present for the meeting were stockholders, in person or by proxy, holding a total of 1,381,722,011 common shares representing 82.02% of the total outstanding voting shares of the Corporation as of record date of May 4, 2023. The Corporate Secretary therefore certified that there was a quorum for the transaction of business and proceeded to record the minutes of the proceedings.

III. Approval of Minutes of the Annual Stockholders' Meeting held on June 20, 2022

The Chairman proceeded to the next item which was the approval of the minutes of the Annual Stockholders' Meeting held on June 20, 2022. Upon motion duly made and seconded, the shareholders approved the minutes of the annual stockholders' meeting held for the year 2022.

The Chairman gave those present the opportunity to ask questions but none was raised on the minutes. 100% of the stockholders present and represented approved the minutes.

IV. President's Report on Operations

The President then presented the Report on Operations for 2022.

The President reported that the Company's GDP rose up to 7.6% in 2022 from a -9.5% in 2020. Unemployment percentage also dropped in 2022 to 4.3% from a 8.7% rise in 2020. PIZZA also now enjoys two consecutive years of double-digit growth of 14.1 billion surpassing the 2019 pre-pandemic growth by 36%. Bottomline profit landing at 874 million, seven (7) times higher than of year 2021. The Company also ended the year 2022 with 17.7 billion in assets, 40% higher than 2021 with Net Gearing Ratio of 0.68x.

Brands:

1. Shakey's is the core legacy brand, the leading full-service restaurant chain in the country and full-service pizza chain as well which services as the jump off for company wide platforms such as the Supercard.
2. Potato Corner is the latest acquisition, it is the undisputed leader in flavored fries and number 1 food kiosk chain in the country. After being acquired in 2022 and folding into operations in March 2023, the brand shows a promising growth booster with opportunities to scale both domestically and globally.
3. Peri Peri Charcoal Chicken and Sauce Bar was acquired in 2019 and immediately became the fastest growing charcoal chicken concepts, playing in the roast chicken space and poses as a strong challenger in the market.
4. R&B Milktea and Project Pie, are the emerging brands and the Company is still incubating these brands to accelerate the growth and continue to future-proof the business.

In 2022, innovations and healthier food options took place to generate more value to guests. The Company also launched relevant campaigns supporting the delivery segments and core products. The Company also reduced plastic footprint alongside with Plastic Credit Exchange and offsetted 150 metric tons of plastic waste. To continue the Company's relevance for younger audience, the Company refreshed the brands and rekindled the participation in college level volleyball scene with Shakey's Superleague, combining two of the major tournaments in the country. UAAP and NCAA, a feat never achieved before. By operating several under 1 umbrella The Company can now cater to different market segments and guest needs and occasions.

Stores:

In 2022, the Company ended the year with global network of 347 stores for casual dining and emerging brands. 1,425 Potato Corner outlets also opened in 2022. Peri Peri opened 60 new stores in 2022. The Company also started to innovate store formats such as Fly-Thru store and converted smaller format to larger format stores and tripled its network to 68 stores. R&B Tea launching more stores 2022, leveraging the existing store network to introduce it to the market. R&B Tea started to open independent stores in 2021 and ended 2022 with nine (9) independent stores. Potato Corner, its global store network increased by 152 outlets in 2022. Both PC and Skaeys opened international stores in Europe, Middle East and Asia.

People:

The Company launched Project Near and Ready (NERDY), its goal was to ensure that store staffs live within 30 minutes from their place of work and to promote the safety and good well-being while creating community center and crisis ready stores. This project rolled out in both Shakey's and Peri Peri. As of year end 2022, 87% of store staff are well within the 30 minutes from the store.

In 2022, reinstated the hiring programs to provide job opportunities to special communities, brought back the Company's landmark program, "Love 'Em Down", in partnership with the Down Syndrome Association of the Philippines, it opened the stores to individuals with Down Syndrome to create a fun and learning opportunities and an avenue to contribute and interact with the community. Senior and PWD in partnership with the City of Manila, scaling the programs in 2023 as part of the advocacy with Peri Peri stores.

A motion was duly made and seconded to approve the President's Report and the Audited Financial Statements of the Corporation for the period ending December 31, 2022. 100% of the stockholders present and represented approved the President's Report and the Audited Financial Statements.

V. Approval and Ratification of All Acts of the Board of Directors, Board Committees, and Management for the year 2022.

The Chairman of the Meeting then proceeded to the next item on the agenda which was the ratification of all acts, transactions and contracts entered into as well as resolutions made and adopted by the Board of Directors and its duly constituted committees and of the Management of the Company from January to December 2022, as reflected in the minutes of the meetings of the Board of Directors, and its duly constituted committees and of the Management for the period.

Upon motion duly made and seconded, 100% of the stockholders present and represented ratified all the acts of the Board of Directors, Board Committees and Management from January to December 2022.

VI. Election of the Board of Directors

The Chairman of the Meeting announced as the next item in the agenda the election of members of the Board of Directors of the Corporation for 2023 to 2024.

Atty. Maria Rosario L. Ybanez, reported that there were nine (9) persons nominated to, and qualified for, the Board. She confirmed that the Nominations Committee had determined that the following had all the qualifications and none of the disqualifications to be directors of the Corporation for 2023 to 2024:

1. Mr. Christopher T. Po
2. Mr. Ricardo Gabriel T. Po
3. Mr. Teodoro Alexander T. Po
4. Mr. Leonardo Arthur T. Po
5. Mr. Vicente L. Gregorio
6. Mr. Lance Y. Gokongwei

Independent Directors:

1. Mr. Fernan Victor P. Lukban
2. Mr. Paulo L. Campos III
3. Ms. Frances J. Yu

Considering that there were nine (9) persons nominated to, and qualified for the Board, upon motion made and seconded, all the aforementioned nine (9) individuals who were nominated as members of the Board of Directors of the Corporation for the year 2023 were duly declared elected to the Board of Directors.

The Chairman gave those present the opportunity to object or ask questions but none was raised on the election of the Board of Directors of the Corporation. 100% of the stockholders present and represented voted to declare the nine (9) individuals who were nominated as members of the Board of Directors of the Corporation for the year 2022 to 2023 as duly elected to the Board of Directors. The results of the votes are as follows:

Agenda	Voting Results		
	For	Against	Abstain
Call to Order	78%	0.00%	1.25%
Secretary's Proof of Due Notice of the Meeting and Determination of Quorum	78%	0.00%	1.25%
Approval of the Minutes of the Stockholders' Meeting held on June 20, 2022	100.00%	0.00%	0.00%
Management's Report	100.00%	0.00%	0.00%
Approval and Ratification of all Acts of the Board of Directors, Board Committees and Management for the year 2022	100.00%	0.00%	0.00%
Election of Board of Directors			
<i>Christopher T. Po</i>	100%	0.00%	0.00%
<i>Ricardo Gabriel T. Po</i>	100%	0.00%	0.00%
<i>Teodoro Alexander T. Po</i>	99.75%	0.25%	0.00%
<i>Leonardo Arthur T. Po</i>	100%	0.00%	0.00%
<i>Vicente L. Gregorio</i>	100%	0.00%	0.00%
<i>Lance Y. Gokongwei</i>	98.96%	0.24%	0.00%
<i>Fernan Viktor P. Lukban (Independent)</i>	100%	0.00%	0.00%
<i>Paulo L. Campos, III (independent)</i>	100%	0.00%	0.00%
<i>Frances J. Yu (Independent)</i>	100%	0.00%	0.00%
Appointment of External Auditor	100.00%	0.00%	0.00%
Other Matters	72.91%	22.00%	5.09%
Adjournment	71.64%	0.55%	6.34%

VII. Appointment of External Auditor

The Chairman of the Meeting then announced that the next item in the agenda would be the appointment of the external auditor for the year 2023-2024. The current external auditor, Sycip Gorres Velayo & Co., is being recommended for re-appointment as external auditor.

The Chairman gave those present the opportunity to object or ask questions but none was raised on the appointment of Sycip Gorres Velayo & Co. as the Corporation's external auditor.

Upon motion duly made and seconded, 100% of the shareholders present and represented at the meeting approved the appointment of Sycip Gorres Velayo & Co. as the Corporation's external auditor.

VIII. Other Matters

The Chairman proceeded to the question-and-answer portion of the meeting. The Corporate Secretary read the questions, which were answered by the Chairman and President.

The first question was about the trends the Company have seen in the foodservice industry post-pandemic and what are the actions taken by management to capitalize on these trends. The President, Mr. Vicente L. Gregorio, answered that the Company have witnessed the transition of customers from office and dining in to work from home setup and home deliveries. Consumers have also adapted well to the digital business and relied on all the retailers to have online access and Shakey's have adjusted to this demand accordingly with programs in place albeit the different set of habits consumers have.

The next question was about the expansion plans for each of the brands the Company is managing. Is the Company looking into expanding into areas such as North Luzon such as Pangasinan. The President answered that the Company is open to expand in the North Luzon considering that feasibility studies will be done for each area in the North to make sure all the basis are met to be able to expand in the area.

The Chairman, Mr. Christopher T. Po, also added that the Company's core brand branches will follow the economic activity in the northern part of the Philippines considering the economic growth booming because of infrastructure.

The last question is on the management's outlook on inflation and how is the Company addressing the rise in costs and the update on consumer sentiment in 2nd quarter of 2022. The President answered that the Company started initiative to maximize its synergies and soften the impact of high cost inputs and worked on efficiency programs and making sure the store unit economics work hand-in-hand. Costs inflations and price adjustments are still present but the Company is confident that programs in place will result to very good margin recovery. Q2 numbers shows a good trend for the last two months and takes it as an opportunity that this will continue until balance of the year. The Chairman also answered that there is a re-opening spending during the previous holidays in the country in April. Despite the inflation in the country, consumers having a YOLO mindset makes the brands still benefit from those. Demographics and volume of customers during the weekday also changed which the Company still able to navigate and weather the changes in behavior with consumers.

The Chairman inquired if there is any other matter which may be properly taken up by the stockholders in the meeting, and the Corporate Secretary stated that there are no other matters for stockholders' approval.

IX. Adjournment

There being no further business to transact, and upon motion duly made and seconded, the meeting was adjourned.

DocuSigned by:



MARIA ROSARIO L. YBANEZ
Corporate Secretary

ATTESTED:

DocuSigned by:



CHRISTOPHER T. PO
Chairman

Appendix 10

Schedule of Board and Committee Meetings for 2023

Schedule of Board Meetings for 2023:

DATE OF MEETING	RESOLUTIONS
January 16,2023	Sale of Peri Peri Store in Las Pinas City; Authorized Signatories for transactions with Bureau of Customs (BOC); Authorized Representative to Process the Renewal of the Corporation's Business Permits And Licenses For Its Davao Warehouse; Authorized Representative to Process the Corporation's Business Permits and Licenses for its R&B Tea Boracay Branch; Authorized Representative to Process the Corporation's Business Permits and Licenses for its Shakey's Boracay Branch; Cancellation of the Secretary's Certificate Dated December 2, 2022 regarding the Authorized Representatives to process the Corporation's Real Property Tax for its Shakey's Boracay Branch; Sale of Shakey's Store in Cabuyao, Laguna
February 14, 2023	Authorized signatory for the contract of lease with Uptown Parksuites; Closure and cessation of business operations of Shakey's Stores; Sale of Shakey's Store in Valenzuela City
February 23, 2023	2022 Financial Performance and 2023 Budget and CAPEX; 2022 Business Plans; Peri Peri Business Unit Discussion
March 14, 2023	Amendment of the Secretary's Certificate Dated August 10, 2020 Regarding the Authorized Signatories and Representatives for Transactions with various Government Agencies; Amendment of the Secretary's Certificate Dated February 11, 2019 regarding the Authorized Signatory for the Electronic Banking Services with BDO Unibank, Inc.; Authorized Representative for Transactions with Bureau of Immigration for 9(G) Visa Application; Authorized Signatory for the Registration of the Corporation With National Solid Waste Management Commission (NSWMC) to its Extended Producer Responsibility (EPR) Program; Authorized Representative of the Corporation For Litigation Matters; Transfer of Nomination to Maria Elma C. Santos in the Orchard Gold & Country Club, Inc.; Authorized Signatories for the Transfer of Ownership of Motor Vehicle
March 27, 2023	Notice of Annual Stockholders' Meeting
April 13, 2023	Approval on the Release of Financial Statements
May 15, 2023	Amendment of the Secretary's Certificate dated March 15, 2023 Regarding the Authorized Signatories and Representatives for Transactions with Various Government Agencies; Authorized Signatories and Representatives for Transactions with Various Insurance and Health Companies
June 5, 2023	Sale of Peri Peri Store in UP Town Center; Authorized signatory for the purchase of Shakey's branch in Halang, Laguna
June 20, 2023	Regular Meeting of the Board, Approval of Minutes of the Annual Stockholders' Meeting held on June 20, 2022, President's Report on Operations, Approval and Ratification of All Acts of the Board of Directors, Board Committees, and Management for the year 2022; Election of the Board of Directors, Appointment of External Auditor
June 26, 2023	Authorized signatories for the application of Super Green Lane (SGL) accreditation with Bureau of Customs
July 3, 2023	Appointment of Group Data Protection Officer; Authorized Signatories for Transactions with Bank of the Philippine Islands; Authorized Signatory for

	Accreditation with Eventory; Abandonment of Trademark “Boss Chicken and Device” Trademark with the Philippine Intellectual Property Office
August 2, 2023	Authorized Signatories for Transactions with BDO Unibank, Inc.; Authorized Representative to Transact with Land Transportation Office for the Reissuance of the Official Receipt and Certificate of Registration of the Vehicle of the Corporation; Authorized Signatories for the Transfer of Ownership of Vehicle; Authorized Signatories for Transactions with Unionbank of the Philippines
August 3, 2023	Amendment of Secretary’s Certificate dated July 3, 2023 Regarding Authorized Signatories for Transactions with Bank of the Philippine Islands
August 15, 2023	Amendment of Secretary’s Certificate dated August 2, 2023 Regarding Authorized Signatories for Transactions with BDO Unibank, Inc.; Amendment of Secretary’s Certificate dated August 2, 2023 Regarding Authorized Signatories for Transactions with Unionbank of the Philippines; Authorized Signatories for Transactions With Maya Philippines. Inc. and Maya Bank. Inc.
August 24, 2023	YTD July 2022 Financial Report, Sales Update and Full Year Financial Outlook; Business Plan and Priorities Update
September 4, 2023	Amendment of Secretary’s Certificate Dated June 26, 2023 Regarding Authorized Signatories for the Application of Super Green Lane (SGL) Accreditation with Bureau of Customs; Authorized Representative for Transaction with Bureau of Internal Revenue (“BIR”) in Processing its Permit for Authority to Print; Authorized Signatories to enter into Transactions and Contracts with, and/or Avail of Products, Facilities, Services of Dito Telecommunity Corporation (“Dito”); Authorized Signatories for the Transfer of Ownership of Motor Vehicle (Egay Transport Services & Trading Inc.)
October 5, 2023	Authorized representative to participate in the bidding conducted by the City Government of Cabuyao; authorized representative to participate in the bidding conducted by the City Government of Las Pinas – CENRO; authorized representative to participate in the bidding conducted by the City Government of Las Pinas – DEPED; authorized representatives for transactions with the City Hall Of Olongapo regarding bulk orders; authorized representative to participate in the bidding conducted by the Metropolitan Manila Development Authority for its 48 th Anniversary; Authorized representative to participate in the bidding conducted by the Metropolitan Manila Development Authority for its Christmas Party; Revoking the secretary’s certificated dated September 12, 2022 regarding authorized representatives for application for business permits and licenses for the construction of Shakey’s Outlets and R&B Stores; authorized representatives for transactions with the Senate of the Philippines regarding bulk orders; Authorized representative for transactions with AKLAN Electric Cooperative, Inc. (“AKELCO”) for application of transformer installation for Shakey’s Boracay Branch; Authorized representative to participate in the bidding conducted by the National Housing Authority for its National Shelter Month Closing Ceremonies
October 6, 2023	Authorized signatory for the termination of Joint Venture Agreement (JVA) with Arran Investment PTE. LTD.
November 20, 2023	Authorized representative for transactions with Bureau Of Internal Revenue regarding the audit of the Corporation’s Books of Accounts; authorized representative to participate in the bidding conducted by the Department of Agrarian Reform (“DAR”); Sale of Shakey’s Store in Cavite

November 24, 2023	YTD October 2023 Financial Report and 2024 Budget Planning Update; Supply Chain/Commodities Update; Business Plans and Priorities Update
December 6, 2023	Authorized representative to participate in the bidding conducted by the Municipality of San Mateo, Rizal
December 15, 2023	Authorized representative to participate in the bidding conducted by the Department of Information and Communications Technology; Authorized signatory for the sale of Shakey's store with East Side Pizza Food Inc.; authorized representatives to process the closure and cessation of business operations of Shakey's stores in Cavite

Schedule of Audit Committee Meetings for 2023

DATE OF MEETING	RESOLUTIONS
April 3, 2023	Presentation of external audit for the 2022 audit; Presentation of 2022 Unaudited Financial Performance; Results of 2022 Internal Audit
May 5, 2023	Presentation of Q1 2023 Unaudited Financial Performance; Internal Audit Updates
July 31, 2023	Presentation of Q2 2023 Financial Results; Internal Audit Updates
October 26, 2023	Presentation of the 2023 External Audit Plan; Presentation of Q3 2023 Unaudited Financial Performance; Internal Audit results

Schedule of Corporate Governance Committee Meetings for 2023

DATE OF MEETING	RESOLUTIONS
February 23, 2023	Results of the Board of Directors' Self-Assessment Survey
November 24, 2023	Corporate Governance Updates

Schedule of Related Party Transactions Committee Meetings for 2023

DATE OF MEETING	RESOLUTIONS
February 23, 2023	Review of Related Party Transactions for FY 2022
November 24, 2023	Review of Related Party Transactions for YTD 2023

Schedule of the Risk Oversight Committee Meeting for 2023

DATE OF MEETING	RESOLUTIONS
August 24, 2023	Discussion of SPAVI Risk Framework

Attendance in Board of Directors' Meetings

DATE OF MEETING	ATTENDANCE
January 16, 2023	<p>PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT: None</p>
February 14, 2023	<p>PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT: None</p>
February 23, 2023	<p>PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT: None</p>
March 14, 2023	<p>PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p>

	<p>ABSENT: None</p>
March 27, 2023	<p>PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT: None</p>
April 13, 2023	<p>PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT: None</p>
May 15, 2023	<p>PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT: None</p>
June 5, 2023	<p>PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p>

	None
June 20, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
June 26, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
July 3, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
August 2, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>

August 3, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
August 15, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
August 24, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
September 4, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>

October 5, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
October 6, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
November 20, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>None</p>
November 24, 2023	<p>PRESENT:</p> <p>Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu</p> <p>ABSENT:</p> <p>Leonardo Arthur T. Po</p>
December 6, 2023	<p>PRESENT:</p> <p>Christopher T. Po</p>

	Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
December 15, 2023	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None

Attendance in Audit Committee Meetings

DATE OF MEETING	ATTENDANCE
April 3, 2023	Present: FERNAN VICTOR P. LUKBAN PAULO L. CAMPOS, III RICARDO GABRIEL T. PO Absent: None
May 5, 2023	Present: FERNAN VICTOR P. LUKBAN PAULO L. CAMPOS, III RICARDO GABRIEL T. PO Absent: None
July 31, 2023	Present: FERNAN VICTOR P. LUKBAN PAULO L. CAMPOS, III RICARDO GABRIEL T. PO Absent: None
October 26, 2023	Present: FERNAN VICTOR P. LUKBAN PAULO L. CAMPOS, III RICARDO GABRIEL T. PO Absent: None

Attendance in Board Risk Committee Meetings

DATE OF MEETING	ATTENDANCE
August 24, 2023	<p>Present:</p> <p>FRANCES J. YU FERNAN VICTOR P. LUKBAN LANCE Y. GOKONGWEI</p> <p>Absent: None</p>

Attendance in Corporate Governance Committee Meetings

DATE OF MEETING	ATTENDANCE
February 23, 2023	Present: PAULO L. CAMPOS, III FERNAN VICTOR P. LUKBAN RICARDO GABRIEL T, PO Absent: None
November 24, 2023	Present: PAULO L. CAMPOS, III FERNAN VICTOR P. LUKBAN RICARDO GABRIEL T. PO Absent: None

Attendance in Related Party Transactions Committee Meetings

DATE OF MEETING	ATTENDANCE
February 23, 2023	Present: PAULO L. CAMPOS, III FERNAN VICTOR P. LUKBAN FRANCES J. YU Absent: None
November 24, 2023	Present: PAULO L. CAMPOS, III FERNAN VICTOR P. LUKBAN FRANCES J. YU Absent: None

Appendix 11

List of SEC Form 23-B (Director Disclosure on Self-dealings)

List of 23-B:

Reporting Person	Shares Bought / (Sold)	Date
Century Pacific Group, Inc.	1,275,600	January 5, 2023
Century Pacific Group, Inc.	1,275,600	January 9, 2023
Gilbert L. Tolentino	(3,000)	January 19, 2023
Vicente L. Gregorio	10,000	January 24, 2023
Vicente L. Gregorio	15,000	March 3, 2023
Century Pacific Group, Inc.	1,694,000	March 24, 2023
Vicente L. Gregorio	10,5000	March 31, 2023
Vicente L. Gregorio	5,600	June 15, 2023
Vicente L. Gregorio	13,700	June 22, 2023
Vicente L. Gregorio	12,200	June 30, 2023
Century Pacific Group, Inc.	49,100	July 3, 2023
Century Pacific Group, Inc.	24,800	July 4, 2023
Century Pacific Group, Inc.	433,200	July 5, 2023
Century Pacific Group, Inc.	521,700	July 6, 2023
Century Pacific Group, Inc.	147,700	July 7, 2023
Century Pacific Group, Inc.	99,300	July 10, 2023
Century Pacific Group, Inc.	17,000	July 11, 2023
Century Pacific Group, Inc.	46,200	July 12, 2023
Century Pacific Group, Inc.	31,500	July 13, 2023
Century Pacific Group, Inc.	65,500	July 14, 2023
Vicente L. Gregorio	3,000	October 4, 2023
Century Pacific Group, Inc.	185,213,620	October 9, 2023
Arran Investments Pte. Ltd.	(283,63,432)	October 9, 2023
GIC Special Investment Private Limited	(283,63,432)	October 9, 2023
GIC Private Limited	(283,63,432)	October 9, 2023
Century Pacific Group, Inc.	197,200	October 10, 2023
Century Pacific Group, Inc.	577,300	October 11, 2023
Vicente L. Gregorio	100,000	October 25, 2023
Oliver Sicam	1,000	January 15, 2024
Oliver Sicam	4,200	January 19, 2024
Vicente L. Gregorio	3,000	February 1, 2024
Vicente L. Gregorio	2,000	February 26, 2024
Vicente L. Gregorio	10,000	March 1, 2024