

ANNEX C

CONSOLIDATED FINANCIAL

STATEMENTS



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

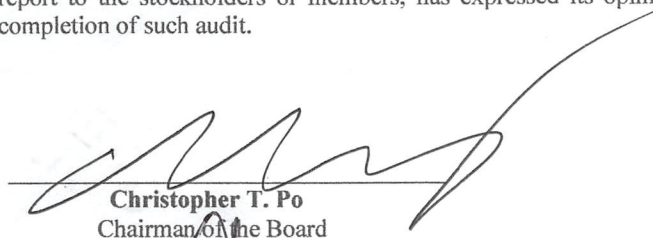
The management of Shakey's Pizza Asia Ventures, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein as at December 31, 2024 and 2023, and each of the three years in the period ended December 31, 2024, 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.

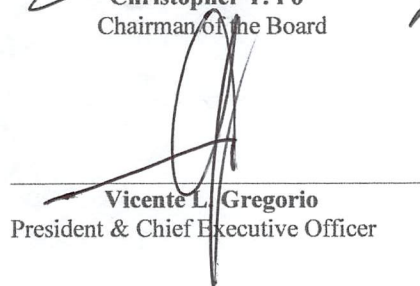
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

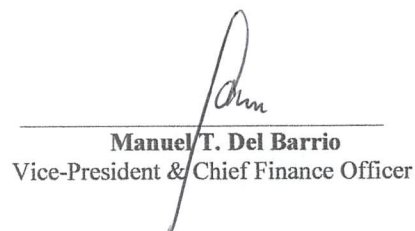
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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 ____ day of April, 2025.

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

)
) s.s.

QUEZON CITY

SUBSCRIBE AND SWORN to before me this **APR 28 2025** 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

Doc. No. 29
Page No. 6
Book No. Lx
Series of 2025.

Concepcion P. Villaren
Notary Public
Notary Public for Quezon City
ADM. Matter No. NP-021(2024-2025)
Until December 31, 2025
Roll No. 30457 / 05-09-1980
IBP No. 461667-2024-2025
PTR No. 6989624/01-02-25
MCLE No. VII-0006994/09-21-2021
TIN No. 131-942-754

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

43

Annual Meeting (Month / Day)

June 20

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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the 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.



Recoverability of Goodwill and Trademarks with Indefinite Useful Life

Under PFRS Accounting Standards, the Group is required to annually test for impairment the amount of goodwill and trademarks with indefinite useful life. As of December 31, 2024, the Group's goodwill, which are attributable to the Potato Corner, Bakemasters and Peri-Peri businesses, amounting to ₱1.3 billion, and trademarks with indefinite useful life attributable to Shakey's, Potato Corner and Peri-Peri, amounting to ₱8.8 billion, are significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically revenue growth rate, gross margin, 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, 2024, 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, 2024, which are expected to be made available to us after that date.

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

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

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



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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



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

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

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

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo

Christine G. Vallejo

Partner

CPA Certificate No. 99857

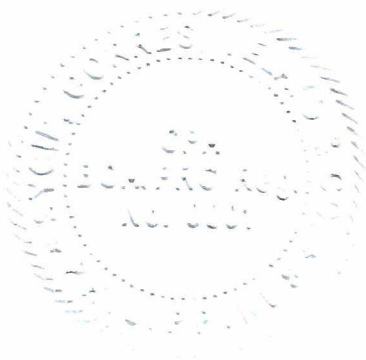
Tax Identification No. 206-384-906

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

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

PTR No. 10465397, January 2, 2025, Makati City

April 28, 2025



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

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash (Notes 8 and 31)	₱1,319,799,492	₱901,147,527
Trade and other receivables (Notes 9, 19 and 31)	1,560,255,051	1,224,789,572
Inventories (Note 10)	1,759,910,852	1,712,217,989
Prepaid expenses and other current assets (Note 11)	630,309,536	635,187,293
Total Current Assets	5,270,274,931	4,473,342,381
Noncurrent Assets		
Property and equipment (Note 13)	2,317,956,225	1,833,780,583
Intangible assets (Notes 6 and 14)	10,354,987,940	10,366,799,313
Right-of-use assets (Note 15)	1,803,635,740	1,540,630,889
Deferred input value-added tax	1,336,297	3,886,410
Deferred tax assets - net (Note 30)	206,391,374	100,394,721
Rental deposits and other noncurrent assets (Notes 16, 31 and 32)	420,939,042	309,113,712
Total Noncurrent Assets	15,105,246,618	14,154,605,628
TOTAL ASSETS	₱20,375,521,549	₱18,627,948,009
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans payable (Notes 17)	₱1,000,000,000	₱700,000,000
Income tax payable	141,506,728	142,150,319
Accounts payable and other current liabilities (Notes 18, 19 and 31)	2,212,546,716	1,753,136,296
Current portion of:		
Long-term loans payable (Notes 20 and 31)	47,819,494	47,876,004
Lease liabilities (Note 15)	293,913,746	275,584,146
Contract liabilities (Note 22)	101,014,484	30,059,596
Total Current Liabilities	3,796,801,168	2,948,806,361
Noncurrent Liabilities		
Noncurrent current portion of:		
Long-term loans payable (Notes 20 and 31)	5,144,751,497	5,194,694,987
Lease liabilities (Note 15)	1,827,842,338	1,555,254,353
Contract liabilities (Note 22)	121,045,193	117,882,366
Accrued pension costs (Note 27)	152,214,080	117,600,878
Deferred tax liabilities - net (Note 30)	396,952,983	627,872,928
Dealers' deposits and other noncurrent liabilities (Note 32)	82,188,507	106,626,720
Total Noncurrent Liabilities	7,724,994,598	7,719,932,232
Total Liabilities	11,521,795,766	10,668,738,593
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)	4,645,088,555	3,788,433,048
Other components of equity	73,760,580	35,899,720
Total Equity	8,853,725,783	7,959,209,416
TOTAL LIABILITIES AND EQUITY	₱20,375,521,549	₱18,627,948,009

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2024	2023	2022
REVENUE FROM CONTRACTS WITH CUSTOMERS (Notes 22)	₱14,451,839,459	₱12,823,923,008	₱10,142,024,578
COST OF SALES (Notes 23)	(10,772,481,080)	(9,673,051,933)	(7,546,508,401)
GROSS INCOME	3,679,358,379	3,150,871,075	2,595,516,177
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	(2,053,903,608)	(1,570,509,929)	(1,222,810,270)
INTEREST EXPENSE (Note 28)	(410,963,852)	(361,489,106)	(323,971,110)
INTEREST INCOME (Note 8)	1,928,966	464,950	504,742
OTHER INCOME - Net (Note 29)	46,496,107	25,073,732	49,175,399
INCOME BEFORE INCOME TAX	1,262,915,992	1,244,410,722	1,098,414,938
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 30)			
Current	411,147,231	291,971,466	140,130,584
Deferred	(341,638,782)	(127,007,314)	83,882,273
	69,508,449	164,964,152	224,012,857
NET INCOME	1,193,407,543	1,079,446,570	874,402,081
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gain on defined benefit obligation – net of tax (Note 27)	6,002,303	2,361,757	41,100,238
Unrealized gain on increase in fair value of financial assets at FVOCI - net of tax	16,865,327	–	–
Translation gain from foreign subsidiaries	14,993,230	–	–
	37,860,860	2,361,757	41,100,308
TOTAL COMPREHENSIVE INCOME	₱1,231,268,403	₱1,081,808,327	₱915,502,389
Basic/Diluted Earnings Per Share (Note 35)	₱0.71	₱0.64	₱0.52

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, 2024 AND 2023**

	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, 2024	₱1,683,760,178	₱2,451,116,470	₱3,788,433,048	₱35,899,720	₱7,959,209,416
Total comprehensive income	—	—	1,193,407,543	37,860,860	1,231,268,403
Cash dividends (Note 21)	—	—	(336,752,036)	—	(336,752,036)
Balances at December 31, 2024	₱1,683,760,178	₱2,451,116,470	₱4,645,088,555	₱73,760,580	₱8,853,725,783
Balances at January 1, 2023	₱1,683,760,178	₱2,451,116,470	₱2,877,362,495	₱33,537,963	₱7,045,777,106
Total comprehensive income	—	—	1,079,446,570	2,361,757	1,081,808,327
Cash dividends (Note 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

See accompanying Notes to Consolidated Financial Statements.



SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FL FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,262,915,992	₱1,244,410,722	₱1,098,414,938
Adjustments for:			
Depreciation and amortization (Note 7 and 26)	923,747,392	757,777,196	636,955,383
Interest expense (Note 7 and 28)	410,963,852	361,489,106	323,971,110
Movement in pension costs	37,853,599	34,234,887	45,080,393
Provision for (reversal of) legal and other contingencies – net (Note 34)	12,361,296	–	11,394,323
Loss (gain) on:			
Disposal of property and equipment (Note 29)	7,865,551	(1,228,757)	(67,336)
Pre-terminations of leases (Note 29)	(8,132,638)	1,226,148	(18,323,273)
Interest income from accretion (Notes 29 and 36)	–	(1,692,305)	(2,000,871)
Interest income from cash in bank (Notes 7)	(1,928,966)	(464,950)	(504,742)
Net unrealized foreign exchange loss (gain)	(1,646,993)	261,300	(2,212,953)
Fair value gain on financial assets at fair value through profit or loss (FVPL) (Note 29)	–	–	(404,374)
Income before working capital changes	2,643,999,085	2,396,013,347	2,092,302,598
Decrease (increase) in:			
Trade and other receivables	(335,465,479)	(91,723,180)	(394,319,393)
Inventories	(47,692,863)	(711,103,929)	(529,209,482)
Prepaid expenses and other current assets	4,877,757	95,697,060	(559,077,900)
Deferred input value-added tax	2,550,113	5,766,913	18,581,229
Increase (decrease) in:			
Contract liabilities (Note 36)	70,291,818	67,084,402	(10,737,004)
Accounts payable and other current liabilities	447,049,124	(379,076,999)	1,066,501,374
Cash generated from operations	2,785,609,555	1,382,657,614	1,684,041,422
Income taxes paid	(411,790,822)	(201,976,951)	(72,929,249)
Interest received	1,928,966	464,950	504,742
Net cash provided by operating activities	2,375,747,699	1,181,145,613	1,611,616,915
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of:			
Property and equipment (Note 13)	(984,930,889)	(448,155,633)	(632,094,612)
Software (Note 14)	(15,221,520)	(52,909,939)	(56,556,757)
Franchise right (Note 14)	–	–	(2,884,236)
Subsidiaries (Note 6)	–	–	(2,581,801,955)
Proceeds from:			
Disposal of property and equipment	21,464,264	27,577,982	181,013
Redemption of financial assets at FVPL (Note 32)	–	–	300,404,374
Collection (payment) of rental deposits (Note 36)	(111,825,330)	(37,256,866)	362,919,338
Increase (decrease) in dealers' deposits and other noncurrent liabilities	(24,438,213)	(40,008,683)	62,655,500
Cash acquired from business combination (Note 6)	–	–	20,503,549
Net cash used in investing activities	(1,114,951,688)	(550,753,139)	(2,526,673,786)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
(Note 35)			
Proceeds from availment of:			
Short-term loans (Note 17)	₱300,000,000	₱700,000,000	₱500,000,000
Long-term loans (Note 20)	—	—	1,600,000,000
Payments of:			
Short-term loans (Note 17)	—	(500,000,000)	—
Lease liabilities (Note 15)	(473,742,119)	(461,980,269)	(360,864,550)
Interest	(283,296,884)	(238,206,151)	(221,614,458)
Dividends (Note 21)	(336,752,036)	(168,376,017)	(50,512,805)
Long-term loans (Note 20)	(50,000,000)	(50,000,000)	(50,000,000)
Net cash provided by (used in) financing activities	(843,791,039)	(718,562,437)	1,417,008,187
NET INCREASE (DECREASE) IN CASH	417,004,972	(88,169,963)	501,951,316
EFFECT OF EXCHANGE RATE CHANGES ON CASH	1,646,993	(261,300)	2,212,953
CASH AT BEGINNING OF YEAR (Note 8)	901,147,527	989,578,790	485,414,521
CASH AT END OF YEAR (Note 8)	₱1,319,799,492	₱901,147,527	₱989,578,790

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 28, 2025.

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

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and 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) Accounting Standards.

Basis of Consolidation

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

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

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

*QIL is in the process of liquidation in 2024



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 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*



Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

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

4. Material Accounting and Financial Reporting Policies

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all subsidiaries it controls as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024.

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

Business Combinations and Goodwill

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

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

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

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

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



synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated should:

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

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

Financial Instruments

Financial Assets

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at amortized cost at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

The Group's financial assets at amortized cost are subsequently measured using the effective interest (EIR) method. The Group applies the simplified approach in measuring expected credit losses (ECL) for trade receivables which uses a lifetime expected loss allowance for all trade receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due. Meanwhile, impairment of other financial assets is assessed based on potential liquidity of counterparties based on available financial information.

- a.) *Financial assets at amortized cost.* 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.



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

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

The Company's investment in club shares are classified as equity instruments designated at FVOCI.

Financial liabilities

The Group's financial liabilities are classified as loans and borrowing and payables. This category includes short-term and long-term loans payable, accounts payable and other current liabilities (excluding statutory liabilities), lease liabilities (see Notes 15, 17, 18 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 and merchandise is the current replacement cost.

Property and Equipment

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



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

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

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

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

Intangible Assets

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

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

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

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

Intangible assets with indefinite useful lives, such as 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 assets with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Trademarks are assessed to have indefinite useful life because it has no expiry as to usage.

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 its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

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

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

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

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

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

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 2024 and 2023 or 2% and 1.5% minimum corporate income tax (MCIT) rate in 2024 and 2023, respectively, whichever is higher. BMI, SSI and SPCI use Optional Standard Deduction (OSD), while the Parent Company and the remaining subsidiaries incorporated in the Philippines use itemized deductions in the computation of their respective taxable income.



Deferred income tax

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

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

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

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

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

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

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

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of sales tax except:

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



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

Deferred Input VAT

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

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each representing a strategic business unit that offers different products. Financial information on business segments is presented in Note 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 material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

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

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

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

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

- the franchise agreement requires, or the franchisee reasonably expects that the Group will undertake activities that will significantly affect the franchise license to which the franchisee has rights (e.g., advertisements, promotions, campaigns, etc.);
- the rights granted by the franchise license directly expose the franchisee to any positive or negative effects of the Group's activities;



- those activities do not result in the transfer of a good or service to the franchisee as those activities occur.

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

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

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

As at December 31, 2024 and 2023, the Group's right-of-use assets amounted to ₱1,803.6 million and ₱1,540.6 million, respectively, and the Group's lease liabilities as at those dates amounted to ₱2,121.8 million and ₱1,830.8 million, respectively. In 2024, 2023 and 2022, the Group recognized amortization of right-of use assets amounting to ₱431.5 million, ₱379.8 million and ₱155.8 million, respectively. Interest expense on lease liabilities recognized amounted to ₱123.8 million, ₱111.6 million, ₱102.8 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 for as one business combination at the Group's consolidated financial statements (see Note 6).

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, 2024 and 2023, the Group's lease liabilities amounted to ₱2,121.8 million and ₱1,830.8 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 deposits and other noncurrent assets. 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 9.

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 ₱1,560.3 million and ₱1,224.8 million as at December 31, 2024 and 2023, respectively (see Note 9). Allowance for ECL amounted to ₱13.7 million as of December 31, 2024 and ₱9.8 million as of December 31, 2023. Provision for ECL was recognized amounting to ₱3.9 million in 2024, ₱5.6 million in 2023 and ₱3.1 million in 2022. Reversal of allowance for ECL amounted to nil in 2024, ₱5.0 million in 2023 and nil in 2022 (see Notes 9).



The carrying value of Rental deposits and other noncurrent assets amounted to ₱420.9 million and ₱309.1 million as at December 31, 2024 and 2023, respectively (see Note 16). Allowance for unrecoverable rental deposits and other noncurrent assets amounted to ₱3.3 million as at December 31, 2024 and 2023. No provision for unrecoverable deposits was recognized in 2024, 2023 and 2022 (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 2024 amounted to nil, ₱0.51 million and nil in 2024, 2023 and 2022, respectively. The carrying values of inventories amounted to ₱1,759.9 million as of December 31, 2024 and ₱1,712.2 million as of December 31, 2023, net of allowance for inventory obsolescence of ₱4.84 million as at December 31, 2024 and 2023, 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, 2024 and 2023. No impairment loss was recognized in 2024, 2023 and 2022. The carrying values of the Group's nonfinancial assets follow:

	2024	2023
Property and equipment (see Note 13)	₱2,317,956,225	₱1,833,780,583
Software (see Note 14)	256,864,190	267,554,247
Franchise (see Note 14)	4,182,376	5,303,692
Right-of-use assets (see Note 15)	1,803,635,740	1,540,630,889
	₱4,382,638,531	₱3,647,269,411

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 11.4% to 13.7% in 2024 and 11.0% to 14.0% in 2023.

The carrying amount of goodwill and trademarks with indefinite useful life as at December 31, 2024 and 2023 are as follows:

	2024	2023
Goodwill (see Note 14)	₱1,324,852,131	₱1,324,852,131
Trademarks (see Note 14)	8,769,089,243	8,769,089,243
	₱10,093,941,374	₱10,093,941,374

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, 2024, 2023 and 2022.

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 ₱152.2 million and ₱117.6 million as at December 31, 2024 and 2023, 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 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 ₱1,010.99 million and ₱645.68 million as at December 31, 2024 and 2023, 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 are 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		
	2024	2023	2022
Consolidated EBITDA	₱2,595,698,270	₱2,363,212,074	₱2,058,836,689
Depreciation and amortization (Note 26)	(923,747,392)	(757,777,196)	(636,955,383)
Provision for income tax (Note 30)	(69,508,449)	(164,964,152)	(224,012,857)
Interest expense (Note 28)	(410,963,852)	(361,489,106)	(323,971,110)
Interest income (Note 8)	1,928,966	464,950	504,742
Consolidated net income	₱1,193,407,543	₱1,079,446,570	₱874,402,081



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		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Revenue from contracts with customers	P19,361,307,849	P18,560,242,446	P12,009,059,163	P1,057,813,676	P773,256,366	P723,803,089	P670,955,537	P646,991,634	P517,245,262	(P6,638,237,603)	(P7,156,567,438)	(P3,108,082,936)	P14,451,839,459	P12,823,923,008	P10,142,024,578
Net income (loss)	P2,414,934,682	P1,942,165,701	P752,854,428	P756,972,874	P570,351,859	P579,770,208	P91,095,450	P74,658,791	P54,355,160	(P2,069,595,463)	(P1,507,729,781)	(P512,577,715)	P1,193,407,543	P1,079,446,570	P874,402,081
Interest expense	395,770,229	352,747,060	312,287,074	7,141,052	540,161	3,642,826	8,052,571	8,201,885	8,041,210	—	—	—	410,963,852	361,489,106	323,971,110
Interest income	(1,895,881)	(339,693)	(271,268)	(3,666)	(66,378)	(5,781)	(29,419)	(58,879)	(227,693)	—	—	—	(1,928,966)	(464,950)	(504,742)
Income tax	242,138,520	(28,073,756)	64,817,471	(192,828,912)	176,293,599	145,017,283	20,198,841	16,744,309	14,178,103	—	—	—	69,508,449	164,964,152	224,012,857
Depreciation and amortization	888,251,229	725,335,718	603,231,555	—	—	—	35,491,164	32,441,478	32,569,233	—	—	1,154,595	923,742,392	757,777,196	636,955,383
EBITDA	P3,939,198,779	P2,991,835,030	P1,732,919,260	P571,281,348	P747,119,241	P728,424,536	P154,808,607	P131,987,584	P108,916,013	(P2,069,595,463)	(P1,507,729,781)	(P511,423,120)	P2,595,693,270	P2,363,212,074	P2,058,836,689
EBITDA Margin													17.96%	16.7%	20.3%
Assets and Liabilities															
Operating assets	P30,063,736,678	P23,106,258,726	P20,178,457,308	P3,528,804,189	P3,380,311,963	P3,566,668,451	P567,754,047	P668,343,836	P703,041,886	(P13,991,164,739)	(P8,627,361,237)	(P6,765,315,786)	P20,169,130,175	18,527,553,288	P17,682,851,859
Deferred tax assets - net	213,981,277	100,111,915	25,566,418	—	—	—	3,565,665	3,647,797	—	(11,155,568)	(3,364,991)	—	206,391,374	100,394,721	25,566,418
Total assets	P30,277,717,955	P23,206,370,641	P20,204,023,726	P3,528,804,189	P3,380,311,963	P3,566,668,451	P571,319,712	P671,991,633	P703,041,886	(P14,002,320,307)	(P8,630,726,228)	(P6,765,315,786)	P20,375,521,549	P18,627,948,009	P17,708,418,277
Operating liabilities	P14,983,575,475	P9,431,706,869	P9,266,733,516	P2,236,971,896	P2,106,628,434	P463,038,268	P224,669,986	P266,902,774	P231,468,528	(P12,512,945,565)	(P7,706,943,403)	(P5,768,945,661)	P4,932,271,792	P4,098,294,674	P4,192,294,651
Interest-bearing loans and borrowings	6,192,570,991	5,942,570,991	5,790,557,954	—	—	—	—	—	—	—	—	—	6,192,570,991	5,942,570,991	5,790,557,954
Deferred tax liabilities-net	—	—	—	—	—	—	—	—	—	396,952,983	627,872,928	679,788,566	396,952,983	627,872,928	679,788,566
Total liabilities	P21,176,146,466	P15,374,277,860	P15,057,291,470	P2,236,971,896	P2,106,628,434	P463,038,268	P224,669,986	P266,902,774	P231,468,528	(P12,115,992,582)	(P7,079,070,475)	(P5,089,157,095)	P11,521,795,766	P10,668,738,593	P10,662,641,171



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 2024 and 2023.

As of December 31, 2024 and 2023, 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 2024, 2023 and 2022, of the consolidated assets and revenues, respectively, of the Group:

	Years Ended December 31		Years Ended December 31		
	Total Assets		Revenue		
	2024	2023	2024	2023	2022
Shakey's International Limited (SIL)	0.00%	0.01%	0.02%	0.00%	0.03%
Shakey's Pizza Regional Foods Limited (SPRFL)	0.00%	0.00%	0.02%	0.31%	0.08%
PC International Limited (PCIL)	0.99%	0.70%	1.67%	0.00%	1.29%
Queensview International Limited* (QIL)	0.01%	9.17%	0.00%	0.00%	0.00%
Shanghai Miaomiao Shu Catering Co. LTD (SMSCCL)	1.91%	0.32%	2.01%	0.00%	—

8. Cash

	2024	2023
Cash on hand	₱125,488,014	₱79,685,940
Cash in banks	1,194,311,478	821,461,587
	₱1,319,799,492	₱901,147,527

Cash in banks earn interest at the respective bank deposit rates. Interest income on cash amounted to ₱1.9 million, ₱0.5 million and ₱0.5 million for the years ended December 31, 2024, 2023 and 2022 respectively.

9. Trade and Other Receivables

Below are the terms and conditions of the financial assets:

	2024	2023
Trade:		
Franchisees	₱670,262,787	₱416,906,032
Third parties	564,620,395	509,558,342
Royalty receivable	79,199,179	70,328,154
Related parties (see Note 19)	21,214,586	18,458,583
Nontrade:		
National Advertising Fund (NAF)	43,210,801	51,829,287
Franchisees	71,820,924	61,680,414
Employees	33,674,196	23,383,344
Others:		
Dividend receivable	18,940,254	69,640,768
Stores	71,030,069	12,844,086
	1,573,973,191	1,234,629,010
Less allowance for ECL	(13,718,140)	(9,839,438)
	₱1,560,255,051	₱1,224,789,572



- 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.
- Receivable from NAF pertains to reimbursable advertising and promotion expenses from franchisees which will be applied on future franchisee remittances.
- Royalty receivable is being collected from dealers on the 20th day of the following month.
- Receivables from employees, which represent mainly salary loans, are interest-free and are being collected through salary deduction for a period ranging from 6 months to 1 year.
- 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 19.

The movements of allowance for ECL are as follows:

	2024			2023		
	Trade and Others	Receivables from Employees	Total	Trade and Others	Receivables from Employees	Total
Balance at beginning of year	₱7,825,160	₱2,014,278	₱9,839,438	₱8,020,079	₱1,245,567	₱9,265,646
Provision (see Note 24)	3,878,702	–	3,878,702	3,575,124	2,041,548	5,616,672
Reversals (see Note 24)	–	–	–	(3,770,043)	(1,272,837)	(5,042,880)
Balance at year-end	₱11,703,862	₱2,014,278	₱13,718,140	₱7,825,160	₱2,014,278	₱9,839,438

For the years ended December 31, 2024, 2023 and 2022, the Group used the simplified provision matrix approach in estimating the ECL on trade and other receivables.

10. Inventories

	2024	2023
At cost:		
Finished goods	₱18,698,220	₱11,450,454
Raw materials - food	35,443,589	63,168,734
Raw materials - packaging	26,994,424	5,806,245
At NRV-		
Merchandise	1,678,774,619	1,631,792,556
	₱1,759,910,852	₱1,712,217,989

The cost of the merchandise inventories carried at NRV amounted to ₱1,759.9 million and ₱1,712.2 million as at December 31, 2024 and 2023, respectively.

The cost of merchandise and materials charged to cost of sales in the consolidated statements of comprehensive income amounted to ₱5,902.3 million in 2024 and ₱5,647.9 million in 2023 (see Note 23).

Allowance for inventory obsolescence amounted to ₱4.8 million as at December 31, 2024 and 2023.

Provision for inventory obsolescence amounted to nil, ₱0.5 and nil in 2024, 2023 and 2022, respectively.



11. Prepaid Expenses and Other Current Assets

	2024	2023
Advances to suppliers	₱353,073,156	₱473,193,172
Prepaid expenses	131,622,574	71,111,034
Prepaid taxes	99,021,443	90,883,087
Input Vat	46,592,363	–
	₱630,309,536	₱635,187,293

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, 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 years 2024, 2023 and 2022 consolidated financial statements amounted to ₱2.1 million, nil and ₱0.4 million (see Note 29), respectively.



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, 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
Additions		512,344,376	312,466,910	64,011,882	18,430,678	66,387,944	9,694,204	1,594,895	984,930,889
Disposals	(2,616,785)	(67,632,100)	(41,296,573)	—	(1,691,269)	(4,157,082)	(886,655)	(20,651,890)	(138,932,354)
Reclassification	—	(4,201,357)	—	—	—	—	—	—	(4,201,357)
Balance at December 31, 2024	246,679,795	2,366,370,053	1,946,522,655	324,504,135	61,164,844	118,382,709	53,745,519	23,354,259	5,140,723,969
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 (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
Depreciation (see Notes 23, 24 and 26)	22,831,813	229,319,476	153,743,947	19,941,758	5,177,836	25,621,528	8,580,242	—	465,216,600
Reclassification	—	2,007,472	—	—	—	—	—	—	2,007,472
Disposals	(4,233,049)	(58,887,176)	(42,238,169)	—	—	(3,517,491)	(726,651)	—	(109,602,536)
Balance at December 31, 2024	109,152,279	1,199,695,113	1,195,415,329	175,376,659	28,763,952	66,220,632	48,143,780	—	2,822,767,744
Net Book Value									
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
Balance at December 31, 2024	₱137,527,516	₱1,166,674,940	₱751,107,326	₱149,127,476	₱32,400,892	₱52,162,077	₱5,601,739	₱23,354,259	₱2,317,956,225

There are no idle assets as at December 31, 2024 and 2023. The Group has no property and equipment that is used as collateral for existing loans payable.



14. Intangible Assets

The Group's intangible assets consist of:

	2024	2023
Goodwill (see Note 6)	₱1,324,852,131	₱1,324,852,131
Trademarks (see Note 6)	8,769,089,243	8,769,089,243
Software	256,864,190	267,554,247
Franchise	4,182,376	5,303,692
	₱10,354,987,940	₱10,366,799,313

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.

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.

Peri-Peri 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, 2022	₱319,875,206	₱7,849,213
Additions	52,909,939	—
Balance at December 31, 2023	372,785,145	7,849,213
Additions	15,221,520	—
Balance at December 31, 2024	388,006,665	7,849,213
Accumulated Amortization		
Balance at December 31, 2022	70,446,491	1,595,885
Amortization (see Note 26)	34,784,407	949,636
Balance at December 31, 2023	105,230,898	2,545,521
Amortization (see Note 26)	25,911,577	1,121,316
Balance at December 31, 2024	131,142,475	3,666,837
Net Book Value		
Balance at December 31, 2024	₱256,864,190	₱4,182,376
Balance at December 31, 2023	₱267,554,247	₱5,303,692

The average remaining useful lives of software and franchise is 8 years and 5 years, respectively, as of December 31, 2024.

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:

	2024	2023
Cost		
Balance at beginning of year	₱2,767,508,242	₱2,376,814,694
Additions	735,358,017	482,493,291
Pre-terminations	(318,176,799)	(91,799,743)
Balance at end of year	₱3,184,689,460	₱2,767,508,242
Accumulated Amortization		
Balance at beginning of year	1,226,877,353	933,034,115
Amortization (see Notes 23, 24 and 26)	431,497,900	379,801,415
Pre-terminations	(277,321,533)	(85,958,177)
Balance at end of year	₱1,381,053,720	₱1,226,877,353
Net Book Value	₱1,803,635,740	₱1,540,630,889

The rollforward analysis of lease liabilities follows:

	2024	2023
Balance at beginning of year	₱1,830,838,499	₱1,700,018,174
Additions	689,806,537	485,848,399
Interest expense (see Note 28)	123,841,072	111,567,612
Payments	(473,742,119)	(461,980,269)
Pre-terminations	(48,987,905)	(4,615,417)
Balance at end of year	2,121,756,084	1,830,838,499
Current portion of lease liabilities	293,913,746	275,584,146
Lease liabilities – non-current portion	₱1,827,842,338	₱1,555,254,353

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

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

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

	2024	2023
1 year	₱589,572,083	₱352,714,066
more than 1 years to 2 years	475,490,034	305,708,932
more than 2 years to 3 years	371,721,783	269,378,506
more than 3 years to 4 years	312,473,685	246,411,328
more than 5 years	1,335,882,032	1,331,472,556

Rent expense on short-term leases and leases of low-value assets amounted to ₱489.6 million, ₱379.56 million and ₱246.5 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Notes 23 and 24).



16. Rental Deposits and Other Noncurrent Assets

	2024	2023
Rental deposits	₱382,879,505	₱312,411,005
Financial assets at FVOCI	26,000,000	—
Others	15,356,830	—
	424,236,335	312,411,005
Less: Allowance for unrecoverable rental deposits and other noncurrent assets	(3,297,293)	(3,297,293)
	₱420,939,042	₱309,113,712

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

The Group uses a provision matrix to calculate ECLs for rental deposit and other noncurrent assets. No provision was recognized in 2024, 2023 and 2022.

The accretion income from rental deposits amounted to nil, ₱1.7 million and ₱2.0 million in 2024, 2023 and 2022, respectively (see Note 29).

As at December 31, 2024, the Group's Financial assets at FVOCI pertain to investments in golf club shares. The changes in the fair value of these investments are recognized under "Unrealized gain on increase in fair value of financial assets at FVOCI" in the consolidated statements of comprehensive income and shown as part of "Other components of equity" in the consolidated statements of financial position.

Others pertain to deposits to suppliers that will be refundable at the end of the contract agreement which range from 3 years to 5 years.

17. Short-term Loans Payable

	2024	2023
Balance at beginning of year	₱700,000,000	₱500,000,000
Additions	300,000,000	700,000,000
Payments	—	(500,000,000)
Balance at end of year	₱1,000,000,000	₱700,000,000

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%.

In 2024, the outstanding loan of ₱700 million was rolled over, extending its maturity date until February 2025. Additionally, in 2024, the Parent company availed another ₱300 million short-term loan from Bank of the Philippines with an annual interest rate of 5.7%. The additional loan will mature in May 2025.



Interest expense pertaining to short-term loans amounting to 44.3 million, ₱25.5 million and ₱9.5 million were recognized for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 28).

18. Accounts Payable and Other Current Liabilities

	2024	2023
Trade:		
Suppliers	₱1,113,279,905	₱881,714,386
Related parties (see Note 19)	150,535,928	151,700,266
Nontrade-		
Suppliers	248,303,761	210,275,125
Accrued expenses:		
Suppliers	378,641,401	129,998,023
Customers loyalty	43,636,958	36,030,849
Utilities	39,460,850	31,533,587
Salaries and wages	76,928,151	17,479,254
Others	161,759,762	294,404,806
	₱2,212,546,716	₱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.
- For terms and conditions related party payables, refer to Note 19.

Other payables consist of the following:

	2024	2023
Withholding tax payable	₱35,159,660	₱47,839,290
Customers' deposits	23,412,766	51,781,697
Output VAT	71,306,989	140,029,064
Retention payable	18,491,714	19,004,028
Fun certificates payable	6,333,130	12,885,728
SSS, Philhealth and Pag-ibig payables	2,275,363	501,067
Advertising fund payable	—	13,428,658
Others	4,780,140	8,935,274
	₱161,759,762	₱294,404,806



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, 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.



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	2024	₱7,766,842	₱3,082,080	₱1,385,087	30-day; non-interest bearing	Unsecured; not impaired
		2023	7,766,842	3,082,080	—		
		2022	8,489,353	3,082,080	—		
Companies with common members of BOD and stockholders as the Group							
The Pacific Meat Company Inc. (PMCI)							
Sales	Sale of goods at prices (normally on cost-plus basis) mutually agreed upon by both parties	2024	14,772,502	12,394,892		30-day; non-interest bearing	Unsecured; not impaired
		2023	8,587,176	5,400,644	—		
		2022	17,898,896	9,693,410	—		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2024	177,074,571	—	122,114,155	30-day; non-interest bearing	Unsecured
		2023	241,786,131	—	142,402,642		
		2022	248,948,140	—	121,785,346		
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	—	1,962,435	298,043	30-day; non-interest bearing	Unsecured; not impaired
		2023	—	—	—		
		2022	—	2,778,786	—		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2024	—	—	—	30-day; non-interest bearing	Unsecured
		2023	—	—	—		
		2022	—	—	293,488		

(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	2024	₱25,436,328	₱3,775,179	₱—	30-day; non-interest bearing	Unsecured; not impaired
		2023	26,857,813	9,975,859	—		
		2022	20,536,620	9,359,643	—		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	2024	44,105,908	—	26,738,643	30-day; non-interest bearing	Unsecured
		2023	15,232,070	—	9,297,624		
		2022	29,380,586	—	4,969,147		
		2024	₱269,156,151	₱21,214,586	₱150,535,928		
		2023	₱186,692,131	₱18,458,583	₱151,700,266		



Compensation of Key Management Personnel

The salaries and pension costs of key management personnel in 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Salaries	₱59,286,376	₱57,244,846	₱35,588,200
Pension costs	37,664,788	33,624,605	16,863,962
	₱96,951,164	₱90,869,451	₱52,452,162

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, 2024 and 2023, 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, 2024 and 2023, 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:

	2024	2023
BDO loan - principal	₱3,597,934,622	₱3,647,932,514
Less unamortized debt issue costs	5,363,631	5,361,523
BDO loan - net of unamortized debt issue costs	3,592,570,991	3,642,570,991
BPI loan	1,600,000,000	1,600,000,000
	5,192,570,991	5,242,570,991
Less current portion of loan payable	47,819,494	47,876,004
Noncurrent portion	₱5,144,751,497	₱5,194,694,987

Interest expense amounting to ₱231.6 million, ₱212.9 million and ₱205.9 million were recognized for the years ended December 31, 2024, 2023 and 2022, 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 2024 and 2023.

Issued and outstanding

	2024		2023	
	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 43 and 41 equity holders as at December 31, 2024 and 2023, respectively.



Retained Earnings

Details of cash dividends declared in 2024 and 2023 are as follows:

Date of Declaration	Dividend		Record Date
	Rate (per share)	Amount	
June 20, 2022	₱0.03	₱50,512,805	July 4, 2022
June 20, 2023	0.10	168,376,017	July 31, 2023
April 15, 2024	0.20	336,752,036	May 15, 2024

There are no outstanding dividends payable as at December 31, 2024 and 2023. Cash dividend declared and paid amounted to ₱336.7 million in 2024 and ₱168.4 million in 2023.

Undistributed earnings of the subsidiaries included in the Group's retained earnings amounting to ₱186.1 million and ₱200.4 million as at December 31, 2024 and 2023, 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, 2024 and 2023, 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, 2024, 2023 and 2022:

	2024	2023	2022
Revenue source:			
Restaurant sales	₱9,290,515,561	₱8,362,853,329	₱7,206,297,269
Sale of goods	4,356,640,655	3,973,643,491	2,535,590,654
Royalty and franchise fees (see Note 33)	804,683,243	487,426,188	400,136,655
	₱14,451,839,459	₱12,823,923,008	₱10,142,024,578
Timing of recognition:			
Goods transferred at a point in time	₱14,378,229,392	₱12,787,539,880	₱10,123,187,575
Services rendered over time	73,610,067	36,383,128	18,837,003
	₱14,451,839,459	₱12,823,923,008	₱10,142,024,578

Contract liabilities

Below are the details of contract liabilities arising from initial franchise as at December 31, 2024 and 2023:

	2024	2023
Initial franchise fee	₱197,506,244	₱147,941,962
Less current portion	76,461,051	30,059,596
Noncurrent portion	₱121,045,193	₱117,882,366



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

Movements of contract liabilities arising from initial franchise fees as at and for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Balance as at January 1	₱147,941,962	₱74,672,181
Amortization of initial franchise fees	(76,905,430)	(36,383,128)
Initial franchise fees received	122,643,815	103,467,530
Accretion of interest expense (see Note 28)	3,825,897	6,185,379
Balance as at December 31	₱197,506,244	₱147,941,962

As at December 31, 2024, 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	₱76,461,051	₱10,176,509	₱86,637,560
More than one year	121,045,193	16,351,998	₱137,397,191
	₱197,506,244	₱26,528,507	₱224,034,751

23. Cost of Sales

	2024	2023	2022
Inventory costs (see Note 10)	₱5,902,337,311	₱5,647,952,421	₱4,469,334,367
Salaries, wages and benefits	1,199,356,019	1,091,124,256	854,700,420
Depreciation and amortization (see Note 26)	833,025,086	704,774,502	612,500,834
Utilities	605,327,830	551,091,000	436,806,339
Rent (see Note 15)	489,607,278	377,231,414	246,132,289
Outside services	472,236,030	359,083,804	250,487,337
Supplies	242,830,276	232,788,578	157,112,346
Delivery call fees	194,754,839	165,473,535	176,298,984
Gas expenses	161,966,247	157,882,862	133,789,783
Repairs and maintenance	129,853,587	99,458,417	57,686,408
Card charges	41,397,447	34,800,157	30,957,572
Pension costs (see Note 27)	14,546,479	16,310,101	21,322,594
Dues and subscription	13,094,939	10,341,176	4,005,890
Commissary costs	5,146,686	7,752,977	4,822,778
Seminar and training	11,379	—	12,095,750
Others	466,989,647	216,986,733	78,454,710
	₱10,772,481,080	₱9,673,051,933	₱7,546,508,401



24. General and Administrative Expenses

	2024	2023	2022
Salaries, wages and benefits	₱631,810,038	₱488,318,840	₱358,176,906
Advertising and promotions	361,813,771	369,757,505	283,890,781
Outside services	301,016,015	175,088,981	170,715,480
Taxes and licenses	222,740,758	135,846,838	98,087,732
Depreciation and amortization (see Note 26)	90,722,306	53,002,695	24,454,549
Transportation and travel	81,303,861	68,176,409	47,674,426
Supplies	78,491,297	38,575,244	34,735,283
Promotions	46,327,588	29,947,903	15,791,640
Utilities	34,498,723	20,835,170	19,878,150
Pension costs (see Note 27)	29,879,028	21,041,870	31,087,098
Gas expenses	13,942,213	12,651,603	15,207,420
Senior citizen discount	13,838,723	15,536,713	10,717,139
Dues and subscriptions	13,705,136	11,935,932	809,884
Start-up costs	13,478,756	11,218,446	18,961,866
Card charges	11,572,475	10,016,590	6,438,226
Repairs and maintenance	10,179,212	3,472,138	3,472,341
Professional fees	9,008,098	22,495,862	3,929,849
Royalty	3,476,462	7,829,969	4,358,479
Provision for ECL - net (see Note 9)	3,878,702	573,792	3,146,639
Insurance	4,161,986	7,351,833	6,228,656
Directors' fees	1,088,108	1,652,632	1,378,947
Rent (see Note 15)	—	2,324,887	368,136
Others	76,970,352	62,858,077	63,300,643
	₱2,053,903,608	₱1,570,509,929	₱1,222,810,270

25. Personnel Expenses

	2024	2023	2022
Salaries, wages, bonuses, and allowances:			
Cost of sales (see Note 23)	₱1,169,195,810	₱1,058,983,492	₱834,621,934
General and administrative expenses (see Note 24)	611,702,841	449,192,968	329,261,032
SSS, Pag-ibig, Medicare and other contributions:			
Cost of sales (see Note 23)	30,160,209	32,080,237	20,078,486
General and administrative expenses (see Note 24)	20,107,197	39,125,872	28,915,874
Pension costs:			
Cost of sales (see Notes 23 and 26)	14,546,479	16,310,101	21,322,593
General and administrative expenses (see Notes 24 and 26)	29,879,028	21,041,870	31,087,098
	₱1,875,591,564	₱1,616,734,540	₱1,265,287,017



26. Depreciation and Amortization

	2024	2023	2022
Property and equipment:			
Cost of sales (see Note 23)	₱401,527,186	₱323,010,907	₱372,179,083
General and administrative expenses (see Note 24)	63,689,414	29,738,323	23,745,266
Right-of-use assets:			
Cost of sales (see Note 23)	431,497,900	369,293,924	218,810,877
Software -			
Cost of sales (see Note 23)	–	12,469,671	–
General and administrative expenses (see Note 24)	25,911,577	22,314,736	21,510,874
Franchise -			
General and administrative expenses (see Note 24)	1,121,315	949,635	709,283
	₱923,747,392	₱757,777,196	₱636,955,383

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 2024 and 2023 and accrued pension costs in the consolidated statements of financial position as at December 31, 2024 and 2023. The latest actuarial valuation is as at December 31, 2024.

	2024	2023	2022
Pension costs:			
Current service cost	₱37,263,665	₱31,186,128	₱40,276,683
Net interest cost	7,161,843	6,165,843	12,133,009
	₱44,425,508	₱37,351,971	₱52,409,692

	2024	2023
Accrued pension costs:		
Present value of benefit obligation (PVBO)	₱316,595,772	₱276,109,298
Fair value of plan assets (FVPA)	(164,381,692)	(158,508,420)
	₱152,214,080	₱117,600,878



Movements in the PVBO are as follows:

	2024	2023
Balance at beginning of year	₱276,109,297	₱242,014,435
Current service cost	37,263,665	31,186,128
Interest cost	16,807,952	17,229,422
Net actuarial gain	(9,494,318)	(7,189,103)
Benefits paid from plan assets	(4,090,824)	(7,131,584)
Balance at end of year	₱316,595,772	₱276,109,298

Movements in the FVPA are as follows:

	2024	2023
Balance at beginning of year	₱158,508,419	₱155,414,641
Interest income	9,646,109	11,063,579
Contributions	1,882,243	3,117,083
Net actuarial loss	(272,661)	(3,532,920)
Remeasurement - plan asset	(1,291,594)	(422,380)
Benefits paid from plan assets	(4,090,824)	(7,131,583)
Balance at end of year	₱164,381,692	₱158,508,420

Movements in the accrued pension costs are as follows:

	2024	2023
Balance at beginning of year	₱117,600,878	₱86,599,794
Pension costs	44,425,508	37,351,971
Contributions	(1,882,243)	(3,117,083)
Benefits paid	(4,689,666)	-
Actuarial loss gain	(3,240,397)	(3,233,804)
Balance at end of year	₱152,214,080	₱117,600,878

Amounts recognized in OCI are as follows:

	2024	2023	2022
Actuarial gain (loss) - PVBO	₱8,202,724	₱7,189,103	₱61,589,972
Actuarial gain (loss) - FVPA	(272,661)	(3,955,299)	(6,848,426)
Deferred income tax	(1,927,760)	(872,047)	(13,641,238)
	₱6,002,303	₱2,361,757	₱41,100,308

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

	2024	2023
Investments:		
Government securities	₱107,207,951	₱83,173,235
Stocks	33,654,076	33,038,811
Deposit in banks	151,935	2,710,421
Money market investment in trust funds	-	23,115,975
Other securities	22,128,621	15,484,979
Total investments	163,142,583	157,523,421
(Forward)		



	2024	2023
Other assets:		
Interest receivable	₱1,316,075	₱1,065,785
Receivable	—	—
Total other assets	1,316,075	1,065,785
Total assets	164,458,658	158,589,206
Fees payable	(76,966)	(80,787)
Net asset value	₱164,381,692	₱158,508,419

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 were as follows:

	2024	2023	2022
Discount rates at beginning of year	6.11%	7.12%	4.99%
Rate of compensation increase	4.00%	5.00%	5.00%

The discount rates and salary increase rates used in determining the retirement benefit obligation as of December 31, 2024 are 6.11% 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:

	2024		2023	
	Increase (decrease)	Amount	Increase (decrease)	Amount
Discount rates	0.50% (0.50%)	(₱7,832,216) 9,586,039	0.50% (0.50%)	(₱7,061,739) 8,592,252
Salary increase rate	1.00% (1.00%)	21,256,137 (14,511,315)	1.00% (1.00%)	19,190,433 (13,040,420)

Shown below is the maturity profile of the undiscounted benefit payments as of December 31, 2024 and 2023:

	2024	2023
1 year and less	₱27,283,187	₱23,965,824
more than 1 years to 5 years	18,583,829	16,936,881
more than 5 years to 10 years	119,689,076	89,731,104
more than 10 years to 15 years	162,462,112	183,899,013
more than 15 years to 20 years	480,912,513	344,346,520
more than 20 years	7,003,770,596	6,691,846,058



The Group expects to contribute ₱57.5 million to the Fund in 2025.

The plan contributions are based on the actuarial present value of accumulated plan benefits and fair value of plan assets are determined using an independent actuarial valuation. The net defined benefit cost and the contributions to the plan are specifically identifiable, such that, the Group's PVBO pertains only to the benefit of the Group's employees and the FVPA, pertains only to the contributions made by the Group. The Group shall contribute to the Fund such amounts as shall be required, under actuarial principles, to provide the benefits and the expenses incident to the operation and administration of the Fund.

The Most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out by an independent actuary for the year ended December 31, 2024.

28. Interest Expense

	2024	2023	2022
Long-term loans payables (see Note 20)	₱231,603,423	₱212,864,549	₱205,879,581
Lease liabilities (see Note 15)	123,841,072	111,567,612	102,828,224
Short-term loans payable (see Note 17)	44,250,278	25,510,044	9,548,194
Contract liabilities (see Note 22)	3,825,897	6,185,379	3,642,826
Debt issue cost	7,443,182	5,361,522	2,067,486
Others	—	—	4,799
	₱410,963,852	₱361,489,106	₱323,971,110

29. Other Income (Charges)

	2024	2023	2022
Service fee and expired loyalty fund points - net	₱2,927,395	₱23,871,145	₱19,689,335
Gain (loss) on:			
Disposal of inventories	(1,147,954)	(8,471,354)	(2,630,006)
Disposal of property and equipment	(7,865,551)	1,228,757	67,336
Pre-termination of leases (see Note 15)	8,132,638	(1,226,148)	18,323,273
Other income from franchisees	4,466,592	5,410,483	7,040,034
Unrealized foreign exchange gain (loss)	(1,336,679)	(2,887,382)	10,146,394
Accretion income from rental deposits (see Note 16)	—	1,692,305	2,000,871
Fair value gain on financial assets at FVPL (see Note 12)	—	—	404,374
Suppliers' rebates	40,196,950	6,223,669	—
Others - net	1,122,716	(767,743)	(5,866,212)
	₱46,496,107	₱25,073,732	₱49,175,399



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:

	2024	2023
Deferred tax assets:		
Lease liabilities	₱135,438,855	₱149,148,044
NOLCO	183,865,329	88,107,648
MCIT	6,245,300	—
Accrued pension costs	1,864,761	2,502,491
Loyalty points	1,734,389	1,254,062
Unamortized past service cost	518,130	506,576
Accrued bonus and other expense	273,826	149,523
Allowance for expected credit losses	652,646	652,646
	330,593,236	242,320,990
Deferred tax liabilities:		
Right-of-use-asset	124,201,862	141,926,269
Pension asset	—	—
	124,201,862	141,926,269
	₱206,391,374	₱100,394,721

The details of the Group's net deferred tax liabilities as of December 31, 2024 are as follows:

	2024	2023
Deferred tax assets:		
Lease liabilities	₱330,227,942	₱284,297,017
Accrued pension costs	36,797,514	28,405,025
Contract liabilities	34,593,940	28,053,584
MCIT	42,406,225	22,142,778
Difference in depreciation due to adoption of lease standard	20,315,454	18,379,806
NOLCO	198,783,083	11,346,647
Accrued bonus and other expenses	8,439,261	3,452,272
Loyalty points	2,613,860	2,542,031
Unamortized past service cost	575,726	1,215,518
Provision for tax assessment	928,315	—
Allowance for:		
Inventory obsolescence	1,190,628	1,190,628
Expected credit losses	2,341,792	1,372,116
Unrecoverable deposits	824,323	824,323
Unrealized foreign exchange loss	364,227	135,006
	680,402,290	403,356,751

(Forward)



	2024	2023
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
Right-of-use assets	267,473,191	₱224,323,832
Debt issuance cost	1,340,381	1,340,380
Financial Assets at FVOCI	2,976,234	—
	1,077,355,273	1,031,229,679
	(₱396,952,983)	(₱627,872,928)

Deferred taxes were not provided for undistributed earnings of subsidiaries in retained earnings position that are not taxable upon distribution or when the Parent Company has control over the distribution of such earnings in the foreseeable future, as these maybe earmarked for reinvestment in foreign projects or for other reasons.

The deferred tax assets were measured using the appropriate corporate income tax rate on the year these are expected to be reversed. The Group computes for deferred tax using the 25% tax rate except for its subsidiaries, namely BMI, SPCI and SSI, which compute for deferred tax using the OSD effective tax rate of 15%.

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
2024	2025-2027	1,132,776,468	—	—	—	1,132,776,468
		₱2,038,069,946	₱203,932,152	₱—	₱303,544,146	₱1,530,593,648

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
2024	2025-2027	24,162,754	—	—	—	24,162,754
		₱66,851,293	₱—	₱—	₱20,545,761	₱46,305,532



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

	2024	2023	2022
RCIT	₱385,846,477	₱266,526,100	₱139,882,917
MCIT	24,162,754	22,142,778	–
Final withholding taxes	1,138,000	3,302,588	247,667
	₱411,147,231	₱291,971,466	₱140,130,584

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:

	2024	2023	2022
Provision for (benefit from) income tax computed at statutory income tax rate of 25% in 2024, 2023 and 30% in 2022	₱315,728,998	₱311,102,681	₱274,603,734
Tax effects of:			
Application of OSD	(257,978,502)	(178,348,879)	(70,519,749)
Nondeductible expenses	33,848,615	50,482,452	156,655,363
Nontaxable:			
Other income	(17,575,218)	(15,716,527)	–
Amortization of franchise fees	(3,495,307)	–	(3,495,276)
Interest accretion	–	(34,148)	(93,627)
Dividend income	–	–	(127,547,786)
Income subject to final tax:			
Interest income	(1,020,137)	(2,274,513)	(373,587)
Fair value gain on financial assets at FVPL	–	–	(101,094)
Other income subject to 25%	–	(246,914)	(5,115,121)
Provision for income tax	₱69,508,449	₱164,964,152	₱224,012,857

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 interest rate risk, credit risk and liquidity risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below:

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to its short-term and long-term loans with floating interest rates.



The following table demonstrates the sensitivity of the Group's income before income tax through the impact on floating rate borrowings in 2024 and 2023 to a reasonably possible change in interest rates, with all other variables held constant.

There is no impact on the Group's equity other than those already affecting the net income.

	2024	2023
Increased by 1%	₱60,833,333	₱57,257,639
Decreased by 1 %	(60,833,333)	(57,257,639)

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:

	2024	2023
Cash*	₱1,194,311,478	₱821,461,587
Trade and other receivables	1,560,255,051	1,224,789,572
Rental deposits and other noncurrent assets	398,236,335	312,411,004
Financial assets at FVOCI	26,000,000	—
Total credit risk exposure	₱3,178,802,864	₱2,358,662,163

*Excluding cash on hand.

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

	2024					
	Neither Past Due nor Impaired	Past Due but not Impaired			Expected Credit Loss	Total
		1-180 Days	Over 360 days	Subtotal		
Cash*	₱1,194,311,478	₱—	₱—	₱—	₱—	₱1,194,311,478
Trade and other receivables	1,192,452,224	356,893,179	10,909,648	367,802,827	13,718,140	1,573,973,191
Rental deposits and other noncurrent assets	314,139,484	—	80,799,558	80,799,558	3,297,293	398,236,335
Financial assets at FVOCI	26,000,000	—	—	—	—	26,000,000
	₱2,726,903,186	356,893,179	₱91,709,206	₱ 448,602,385	₱17,015,433	₱3,192,521,004

*Excluding cash on hand.

	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 deposits and other noncurrent assets	245,867,460	—	63,246,252	63,246,252	3,297,293	312,411,005
	₱2,154,792,974	₱131,650,542	₱68,921,355	₱200,571,896	₱13,136,731	₱2,368,501,602

*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:

	2024			
	Stage 1	Stage 2	Stage 3	Total
Cash*	₱1,194,311,478	₱—	₱—	₱1,194,311,478
Trade and other receivables:	309,371,151	459,139,069	791,744,831	1,560,255,051
Rental deposits and other noncurrent assets	15,356,830	—	379,582,212	394,939,042
Financial assets at FVOCI	26,000,000	—	—	26,000,000
	₱1,545,039,459	₱459,139,069	₱1,171,327,043	₱3,175,505,571

*Excluding cash on hand.

	2023			
	Stage 1	Stage 2	Stage 3	Total
Cash*	₱821,461,587	₱—	₱—	₱821,461,587
Trade and other receivables:	718,669,587	379,066,378	127,053,607	1,224,789,572
Rental deposits and other noncurrent assets	—	—	309,113,712	309,113,712
	₱1,540,131,174	₱379,066,378	₱436,167,319	₱2,355,364,871

*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.

	2024					
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Cash	₱1,319,799,492	₱—	₱—	₱—	₱—	₱1,319,799,492
Trade and other receivables	1,192,452,225	270,626,363	66,946,969	5,601,706	24,627,788	1,560,255,051
Rental deposits and other noncurrent assets	314,139,484	—	—	—	80,799,558	394,939,042
Financial assets at FVOCI	26,000,000	—	—	—	—	26,000,000
	2,852,391,201	270,626,363	66,946,969	5,601,706	105,427,346	3,300,993,585

(Forward)



2024						
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Short-term loans**	P–	P–	P–	P1,015,328,142	P–	P1,015,328,142
Accounts payable and other current liabilities:						
Trade payables	–	1,263,815,833	–	–	–	1,263,815,833
Nontrade payables	–	301,027,152	–	–	–	301,027,152
Accrued expenses	–	538,667,360	–	–	–	538,667,360
Other payables*	–	53,017,751	–	–	–	53,017,751
Dealers' deposit and other noncurrent payables	–	–	–	–	82,188,507	82,188,507
Long-term loans payable**	–	–	–	–	5,897,225,843	5,897,225,843
Lease liabilities	–	–	–	589,572,083	2,495,567,534	3,085,139,617
	–	2,156,528,096	–	1,604,900,225	8,474,981,884	12,236,410,205
Liquidity gap	P2,852,391,201	(P1,885,901,733)	P66,946,969	(P1,599,298,519)	(P8,369,554,538)	(P8,935,416,620)

*Excluding statutory payables.

**Including future interest payments.

2023						
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Cash	P901,147,527	P–	P–	P–	P–	P901,147,527
Trade and other receivables	1,087,463,926	111,310,770	10,500,334	6,879,438	8,635,104	1,224,789,572
Rental deposits and other noncurrent assets	245,867,461	–	–	–	63,246,251	309,113,712
	2,234,478,914	111,310,770	10,500,334	6,879,438	71,881,355	2,435,050,811
Short-term loans**	–	403,005,464	–	–	–	403,005,464
Accounts payable and other current liabilities:						
Trade payables	–	1,033,414,652	–	–	–	1,033,414,652
Nontrade payables	–	210,275,125	–	–	–	210,275,125
Accrued expenses	–	215,041,713	–	–	–	215,041,713
Other payables*	–	106,035,385	–	–	–	106,035,385
Dealers' deposit and other noncurrent payables	–	–	–	–	106,626,720	106,626,720
Long-term loans payable**	–	–	–	–	6,177,682,127	6,177,682,127
Lease liabilities	–	–	–	352,714,066	2,152,971,322	2,505,685,388
	413,980,440	1,967,722,339	–	352,714,066	8,437,280,169	10,757,766,574
Liquidity gap	P1,820,498,474	(P1,856,461,569)	P10,500,334	(P345,834,628)	(P8,365,398,814)	(P8,322,715,763)

*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:

	2024	2023
Total liabilities	P11,521,795,766	P10,668,738,593
Total equity	8,853,725,783	7,959,209,416
	1.30:1	1.34:1

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, 2024				
	Date of Valuation	Carrying Value	Fair Value	
			Level 1 Quoted	Level 2 Significant Observable Input
Assets for which fair values are disclosed -				
Rental deposits and other noncurrent assets	December 31, 2024	₱420,939,042	₱—	₱313,094,209
		₱420,930,042	₱—	₱313,094,209
Liabilities for which fair values are disclosed:				
Long-term loans payable	December 31, 2024	₱5,192,570,991	₱—	₱4,437,875,060
Dealers' deposits and other noncurrent liabilities	December 31, 2024	82,188,507	—	61,131,763
		₱5,274,759,498	₱—	₱4,499,006,823
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 and other noncurrent assets	December 31, 2023	₱309,113,712	₱—	₱218,671,858
		₱309,113,712	₱—	₱218,671,858
Liabilities for which fair values are disclosed:				
Long-term loans payable	December 31, 2023	₱5,242,570,991	₱—	₱4,387,924,006
Dealers' deposits and other noncurrent liabilities	December 31, 2023	106,626,720	—	104,355,571
		₱5,349,197,711	₱—	₱4,492,279,577

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Rental Deposits. The fair values were obtained by discounting the instruments' expected cash flows using interest rates of 1.59% to 8.56% as at December 31, 2024 and of 1.65% to 8.56% as at December 31, 2023.

Long-term loans Payable. The fair value of loan payable which was discounted using prevailing market rate of 5.99% and 4.18% as at December 31, 2024 and 2023, 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 6.10% and 4.92% as at December 31, 2024 and 2023, respectively.



As at December 31, 2024 and 2023, 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 ₱804.7 million in 2024, ₱487.4 million in 2023 and ₱400.1 million in 2022 (see Note 22). Royalty receivables as at December 31, 2024 and 2023 amounted ₱79.2 million and ₱176.9 million, respectively (see Note 9).

34. Provisions

The Group’s outstanding provisions pertain to provisions made in 2024 amounting to ₱12.36 million (see Note 29). These 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 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, 2024 and 2023, hence, diluted EPS is the same as the basic EPS.

The Group’s EPS were computed as follows:

	2024	2023	2022
(a) Net income	₱1,193,407,543	₱1,079,446,570	₱874,402,081
(b) Weighted average number of shares outstanding	1,683,760,178	1,683,760,178	1,683,760,178
Basic/diluted EPS (a/b)	₱0.71	₱0.64	₱0.52



36. Notes to Consolidated Statements of Cash Flows

The following are the noncash activities for the years ended December 31, 2024 and 2023.

	2024			
	January 1	Net cash flows	Noncash changes	December 31
Rental deposits and other noncurrent assets (a)	₱309,113,712	₱111,825,330	₱-	₱420,939,042
Long-term loans payable (b)	5,942,570,991	250,000,000	-	6,192,570,991
Contract liabilities (c)	147,941,962	70,291,818	3,825,897	222,059,677

	2023			
	January 1	Net cash flows	Noncash changes	December 31
Rental deposits and other noncurrent assets (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

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 deposits 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 ₱5.4 million in 2024 and 2023, respectively.
- Pertains to the accretion of the significant financing component of contract liabilities during the year amounting to ₱5.6 million and ₱6.2 million in 2024 and 2023, respectively.

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

	2024						
	January 1	Additions	Proceeds	Payments	Interest expense	Other movements	December 31
Lease liabilities*	₱1,830,838,499	₱689,806,537	₱-	(₱473,742,119)	₱123,841,072	(₱48,987,905)	₱2,121,756,084
Loans payable	5,942,570,991	-	300,000,000	(50,000,000)	-	-	6,192,570,991
Dividends	-	336,752,036	-	(336,752,036)	-	-	-
Accrued interest**	-	-	-	(283,296,884)	410,963,852	(127,666,968)	-
Total liabilities from financing activities	₱7,773,409,490	₱1,026,558,573	₱300,000,000	(₱1,143,791,039)	₱534,804,924	(₱176,654,873)	₱8,314,327,075

	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



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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, included in this Form 17-A, and have issued our report thereon dated April 28, 2025. 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

Christine G. Vallejo

Partner

CPA Certificate No. 99857

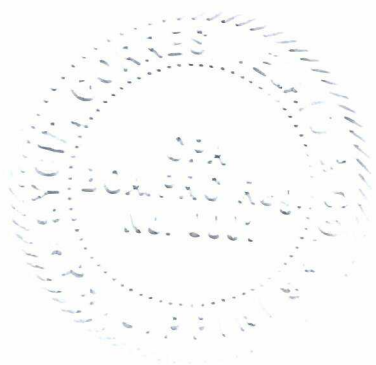
Tax Identification No. 206-384-906

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

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

PTR No. 10465397, January 2, 2025, Makati City

April 28, 2025



**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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 25, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo

Christine G. Vallejo

Partner

CPA Certificate No. 99857

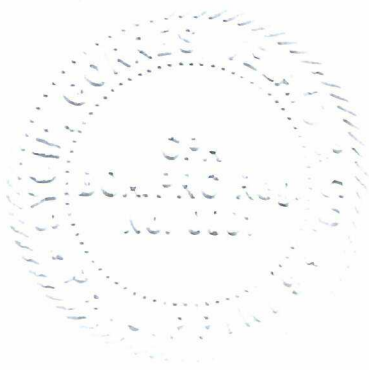
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PTR No. 10465397, January 2, 2025, Makati City

April 28, 2025



SHAKEY'S PIZZA ASIA VENTURES, INC.
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Philippine Financial Reporting Standards and Interpretations Effective
as of December 31, 2024
Map of Relationships of the Companies within the Group

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule A. Financial Assets
December 31, 2024

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Alabang Country Club	1	26,000,000	26,000,000	-
	1	26,000,000	26,000,000	-

SHAKEY'S PIZZA ASIA VENTURES, INC.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

December 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Current	Non Current	Balance at End of Period
			Amount Collected	Amount Reclassified	Amount Written-Off			
DBE Project Inc. (DBE)	-	-	-	-	-	-	-	-
Century Pacific Group Inc. (CPGI)	3,082,080	7,766,842	7,766,842	-	-	3,082,080	-	3,082,080
Century Pacific Food Inc. (CPFI)	9,975,859	25,436,328	31,637,009			3,775,178		3,775,178
The Pacific Meat Company Inc. (PMCI)	5,400,644	14,772,502	7,778,254			12,394,892		12,394,892
Receivables from employees	23,383,344	10,290,852				33,674,196		33,674,196
	P 41,841,927	P 58,266,524	P 47,182,105	-	P -	P 52,926,346	P -	P 52,926,346

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

SHAKEY'S PIZZA ASIA VENTURES, INC.

Schedule C. Accounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non Current	Balance at End of Period
			Amount Collected	Amount Written-Off			
Shakey's Seacrest Inc. (SSI)	P 59,291,131	P 167,330,067	42,051,730	P -	P 184,569,468	P -	P 184,569,468
Shakey's International Ltd. (SIL)	59,844,611	4,897,418	415,543	-	64,326,486	-	64,326,486
Shakeys Pizza Commerce Inc (SPCI)	2,470,310,327	2,715,406,760	432,237,669	-	4,753,479,418	-	4,753,479,418
Bakemasters, Inc. (BMI)	1,838,987		1,527,648	-	311,339	-	311,339
Wow Brand Holdings, Inc. (WBHI)	177,619,260	198,945,757	20,924,809		355,640,208	-	355,640,208
	P 2,768,904,316	P 3,086,580,002	P 497,157,399	P -	P 5,358,326,919	P -	P 5,358,326,919

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule D. Intangible Assets - Other Assets
December 31, 2024

Description	Beginning Balance	Additions At Cost	Deductions		Other Changes- Additions (Deductions)	Ending Balance
			Charged to Costs and Expenses	Charged to Other Accounts		
Goodwill	1,324,852,131	-	-	-	-	1,324,852,131
Trademarks	8,769,089,243	-	-	-	-	8,769,089,243
Softwares- net	267,554,247	15,221,520	25,911,577	-	-	256,864,190
Franchise Rights- net	5,303,694		1,121,318	-	-	4,182,376
	10,366,799,315	15,221,520	27,032,895	-	-	10,354,987,940

SHAKEY'S PIZZA ASIA VENTURES, INC.

Schedule E. Long-Term Debt
December 31, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet
Omnibus Loan and Security Agreement- 0 BDO Unibank Inc.	₱ 3,597,934,622	₱ 50,000,000	₱ 3,547,934,622
BPI Loan	1,600,000,000	-	1,600,000,000
Unamortized debt issue costs	(5,363,631)	(2,180,506)	(3,183,125)
	₱ 5,192,570,991	₱ 47,819,494	₱ 5,144,751,497

SHAKEY'S PIZZA ASIA VENTURES, INC.

Schedule F.

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

December 31, 2024

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, 2024.		
	P -	P -

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule G. Guarantees of Securities of Other Issuers
December 31, 2024

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, 2024.				
		P	-	P
			-	

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule H. Capital Stock
December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Shares	2,000,000,000	1,683,760,178	-	1,294,529,898	4,209,400	385,020,880

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

	2024	2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	1,319,799,492	901,147,527
Trade and other receivables	1,560,255,051	1,224,789,572
Inventories	1,759,910,852	1,712,217,989
Prepaid and other current assets	630,309,536	635,187,293
Total Current Assets	5,270,274,931	4,473,342,381
Noncurrent Assets		
Property and equipment - net	2,317,956,225	1,833,780,583
Intangible Assets	10,354,987,940	10,366,799,313
Right-of-use Assets	1,803,635,740	1,540,630,889
Deferred input value-added tax	1,336,297	3,886,410
Deferred tax assets - net	206,391,374	100,394,721
Rental deposits and other noncurrent assets	420,939,042	309,113,712
Total Noncurrent Assets	15,105,246,618	14,154,605,628
TOTAL ASSETS	20,375,521,549	18,627,948,009
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans payable	1,000,000,000	700,000,000
Accounts payable and other current liabilities	141,506,728	142,150,319
Income tax payable	2,212,546,716	1,753,136,296
Current portion of:		
Long-term loans payable	47,819,494	47,876,004
Lease liabilities	293,913,746	275,584,146
Contract liabilities	101,014,484	30,059,596
Total Current Liabilities	3,796,801,168	2,948,806,361
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term loans payable	5,144,751,497	5,194,694,987
Lease liabilities	1,827,842,338	1,555,254,353
Contract liabilities	121,045,193	117,882,366
Accrued pension costs	152,214,080	117,600,878
Deferred tax liabilities - net	396,952,983	627,872,928
Dealer's deposits and other noncurrent liabilities	82,188,507	106,626,720
Total Noncurrent Liabilities	7,724,994,598	7,719,932,232
Total Liabilities	11,521,795,766	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	4,645,088,555	3,788,433,048
Other components of equity	73,760,580	35,899,720
Total Equity	8,853,725,783	7,959,209,416
	20,375,521,549	18,627,948,009

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

	2024	2023
REVENUES FROM CONTRACTS WITH CUSTOMER	14,451,839,459	12,823,923,008
COSTS OF SALES	(10,772,481,080)	(9,673,051,933)
GROSS INCOME	3,679,358,379	3,150,871,075
GENERAL AND ADMINISTRATIVE EXPENSES	(2,053,903,608)	(1,570,509,929)
INTEREST EXPENSES	(410,963,852)	(361,489,106)
INTEREST INCOME	1,928,966	464,950
OTHER INCOME - Net	46,496,107	25,073,732
INCOME BEFORE INCOME TAX	1,262,915,992	1,244,410,722
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	(411,147,231)	(291,971,466)
Deferred	341,638,782	127,007,314
	(69,508,449)	(164,964,152)
NET INCOME	1,193,407,543	1,079,446,570
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods (net of tax) -		
Actuarial gain on defined benefit obligation	6,002,303	2,361,757
Unrealized gain on increase in fair value of financial assets at FVOCI	16,865,327	-
Translation gain	14,993,230	-
TOTAL OTHER COMPREHENSIVE INCOME	37,860,860	2,361,757
TOTAL COMPREHENSIVE INCOME	1,231,268,403	1,081,808,327
Basic/Diluted Earnings Per Share	0.71	0.64

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2024

Shakey's Pizza Asia Ventures Inc.15Km East Service Road corner Marian Road 2 Barangay San Martin de Porres,
Parañaque City 1700

Unappropriated Retained Earnings, beginning of reporting period	₱3,428,668,056
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Less: Category A: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	336,752,034
Retained Earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Unappropriated Retained Earnings, as adjusted	3,091,916,022
Add/Less: Net Income (loss) for the current year	1,486,885,017
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of Investment Property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Sub-total	-
Less: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of Investment Property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Sub-total	-

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
<hr/>	
Sub-total	-
Adjusted Net Income/Loss	4,578,801,039
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Sub-total	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Sub-total	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(16,865,327)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(235,068,596)
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others – Remeasurement of retirement benefit obligation, net of tax	-
Sub-total	(251,302,521)
<hr/>	
Total Retained Earnings, end of the reporting period available for dividend	₱4,326,867,116
<hr/>	

SHAKEY'S PIZZA ASIA VENTURES INC.
FINANCIAL SOUNDNESS INDICATORS-FINANCIAL INDICATOR
As of December 31, 2024

Ratio	Formula	Current Year	Prior Year
Current ratio	<div> <div>Total Current Assets5,270,274,931</div> <div>Divide by: Total Current Liabilities3,796,801,168</div> <div>Current Ratio1.39</div> </div>	1.39x	1.52x
Quick/Acid test ratio	<div> <div>Total Current Assets5,270,274,931</div> <div>Less: Inventories(1,759,910,852)</div> <div>Prepayments and other Current Assets(630,309,536)</div> <div>Quick assets2,880,054,543</div> <div>Divide by: Total Current Liabilities3,796,801,168</div> <div>Quick/Acid test ratio0.76</div> </div>	0.76x	0.72x
Debt-to-equity ratio	<div> <div>Total Liabilities11,919,252,682</div> <div>Divide by: Total Equity8,853,725,783</div> <div>Debt-to-equity ratio1.35</div> </div>	1.35x	1.34x
Gearing ratio	<div> <div>Interest bearing liabilities6,192,570,991</div> <div>Divided by: Total Equity8,853,725,783</div> <div>Gearing ratio0.70</div> </div>	0.7x	0.75x
Net Gearing ratio	<div> <div>Interest bearing liabilities6,192,570,991</div> <div>Minus: Cash1,319,799,492</div> <div>Net4,872,771,499</div> <div>Divide by: Total Equity8,853,725,783</div> <div>Net Gearing Ratio0.55</div> </div>	0.55x	0.63x
Asset-to-equity ratio	<div> <div>Total Assets20,772,978,465</div> <div>Divide by: Total Equity8,853,725,783</div> <div>Asset-to-equity ratio2.35</div> </div>	2.35x	2.34x
Interest rate coverage ratio	<div> <div>EBIT1,671,950,878</div> <div>Divide by: Interest Expenses410,963,852</div> <div>Interest rate coverage ratio4.07</div> </div>	4.07x	4.44x
Working capital turnover	<div> <div>Net Sales14,451,839,459</div> <div>Divide by: Working capital</div> <div>Current Assets5,270,274,931</div> <div>Less: Current Liabilities(3,796,801,168)</div> <div>Working Capital1,473,473,763</div> <div>Working Capital Turnover9.81</div> </div>	9.81x	8.41x
Return on equity	<div> <div>Net Income1,193,407,543</div> <div>Divide by: Total Equity8,853,725,783</div> <div>Return on equity13.48%</div> </div>	13.48%	13.56%
Return on assets	<div> <div>Net Income1,193,407,543</div> <div>Divide by: Total Assets20,772,978,465</div> <div>Return on assets5.74%</div> </div>	5.74%	5.79%
Earnings per share	<div> <div>Net Income1,193,407,543</div> <div>Average No. of shares1,683,760,178</div> <div>Earnings per share0.71</div> </div>	0.71	0.64

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR

FEE-RELATED INFORMATION

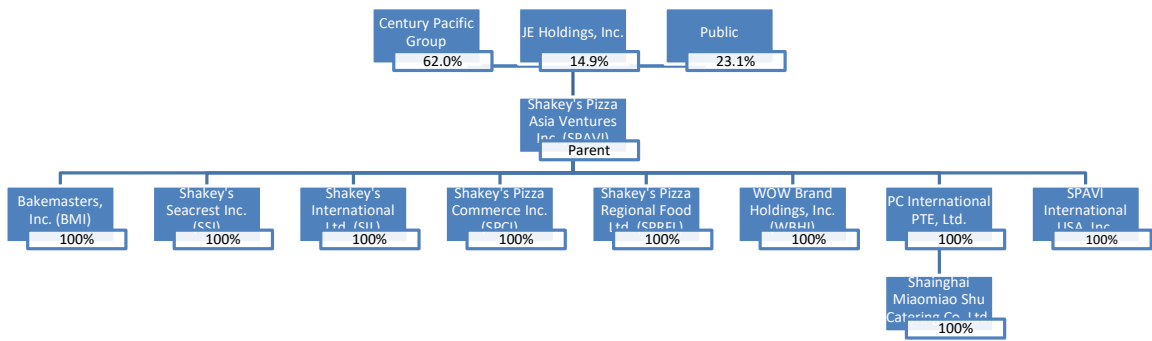
December 31, 2024 and 2023

	Years Ended December 31	
	2024	2023
Total Audit Fees (Section 2.1a)	₱4,350,000	₱3,120,000
Non-audit services fees:		
Tax services	300,000	-
All other services	-	1,590,400
Total Non-audit fees (Section 2.1b)	300,000	1,590,400
Total Audit and Non-audit fees	4,650,000	4,710,400

Audit and Non-audit fees of other related entities (Section 2.1c)

	Years Ended December 31	
	2024	2023
Audit fees	₱2,560,000	₱2,269,000
Non-audit services fees	-	-
Total Audit and Non-audit fees	₱2,560,000	₱2,269,000

SHAKEY'S PIZZA ASIA VENTURES INC.
CONGLOMERATE MAP
AS OF DECEMBER 31, 2024





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