Notice of Annual Stockholders' Meeting

Notice is hereby given that the Annual Stockholders Meeting will be held on **Tuesday, June 20, 2023** at 8:30 in the morning.

The agenda for the said meeting shall be as follows:

1. Call to Order
2. Secretary's Proof of Due Notice of the Meeting and Determination of Quorum
3. Approval of the Minutes of the Stockholders' Meeting held on June 20, 2022
4. Management's Report
5. Ratification of Acts of the Board of Directors and Management During the Previous Year
6. Election of Directors (including Independent Directors)
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

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

The record date for the determination of the shareholders entitled to vote at said meeting is on **May 2, 2023.**

In light of current conditions and in support of the efforts to contain the outbreak of COVID-19, stockholders may attend the meeting and vote via remote communication only.

Stockholders should pre-register at this link:
https://www.shakeyspizza.ph/investors/register from **May 25, 2023 to May 29, 2023.**

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

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

B. For corporate/organizational Stockholders:

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

Stockholders who will join by proxy shall download, fill out and sign the proxy found in https://www.shakeyspizza.ph/investors/register. Deadline to submit proxy forms is **on June 7, 2023.**

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

Only stockholders of record as of the close of business on **May 2, 2023** are entitled to notice and to vote at the meeting.

MARIA ROSARIO L. YBANEZ
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

Proof of notice and determination of quorum

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

The Corporate Secretary will certify the date the notice of the meeting was published as required by the Securities and Exchange Commission Notice on Alternative Mode of Distributing and Providing Copies of the Notice, Information Statement, Management Report, SEC Form 17-A dated April 20, 2020.

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

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

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

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

Approval of minutes of previous meeting

The minutes of the meeting held on June 20, 2022 are posted at the company website, https://www.shakeyspizza.ph/

Annual report

The President and CEO, Mr. Vicente L. Gregorio, will deliver a report to the stockholders on the performance of the company in 2022 and the outlook for 2023. The financial statements as of December 31, 2022 (FS) will be incorporated in the Information Statement.

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

Election of directors (including the independent directors)

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

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

Election of external auditor and fixing of its remuneration

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

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

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

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

PROXY

The undersigned stockholder of **SHAKEY'S PIZZA ASIA VENTURES INC.** (the "Company") hereby appoints the Chairman of the Board, Christopher T. Po, as *attorney-in-fact* and *proxy,* to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on June 20, 2023 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of minutes of previous meeting
   ❑ For ❑ Against ❑ Abstain

2. Annual Report
   ❑ For ❑ Against ❑ Abstain

3. Ratification of the acts of the Board of Directors and Officers
   ❑ For ❑ Against ❑ Abstain

4. Election of Directors

	No. of Votes
Christopher T. Po	________
Ricardo Gabriel T. Po	________
Teodoro Alexander T. Po	________
Leonardo Arthur T. Po	________
Vicente L. Gregorio	________
Lance Y. Gokongwei	________
Independent Directors:	
Paulo L. Campos, III	________
Fernan Victor P. Lukban	________
Frances J. Yu	________

5. Election of SGV & Co. as the independent auditor and fixing of its remuneration
   ❑ For ❑ Against ❑ Abstain

6. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting
   ❑ Yes ❑ No

____
PRINTED NAME OF STOCKHOLDER

____
NUMBER OF SHARES

____
SIGNATURE OF STOCKHOLDER/
AUTHORIZED SIGNATORY

____
DATE

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **5:00PM** ON **June 7, 2023** via https://www.shakeyspizza.ph/investors/register A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED.

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

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

CERTIFICATE

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

1. I am the duly elected and qualified Corporate Secretary of Shakey's Pizza Asia Ventures Inc. (the "Corporation") with principal office address at 15Km East Service Road corner Marian Road 2, Barangay San Martin de Porres, Paranaque City.

2. There are no directors, independent directors or officers of the Corporation who are currently appointed in any government agency or is an employee of any government agency.

MARIA ROSARIO L. YBANEZ
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS
INFORMATION STATEMENT OF CENTURY PACIFIC FOOD, INC.
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [**x**] Definitive Information Statement

2. Name of Registrant as specified in its charter: **Shakey's Pizza Asia Ventures Inc.**

3. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **54666**

5. BIR Tax Identification Code: **000-163-396**

6. **15 Km East Service Rd., Brgy. San Martin De Porres, Parañaque City** **1700**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code: **(632) 8742-5397**

8. Date, time and place of the meeting of security holders

   Date : **June 20, 2023**
   Time : **8:30 AM**

   Via Remote communication
   Stockholders should pre-register at this link:
   https://www.shakeyspizza.ph/investors/register from **May 25, 2023 to May 29, 2023**

(a) 9. Approximate date on which the Information Statement is first to be sent or given to security holders: **on or before May 23 and 24, 2023 through publication in two (2) newspapers of general circulation**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

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

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

   Yes _/_ No ____

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

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

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A. GENERAL INFORMATION

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

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

Date:	June 20, 2023
Time:	8:30 AM

(c) Online web addresses/URLs

- For participation by remote communication: https://www.shakeyspizza.ph/investors/register

- For voting *in absentia:* https://www.shakeyspizza.ph/investors/register

(d) Complete Mailing Address of Principal Office:
15 Km East Service Road corner Marian Road 2, Barangay San Martin De Porres, Parañaque City 1700

Approximate date when the Information Statement is first to be sent to security holders: **May 23 and 24, 2023 through publication on the Company's website and two newspapers of general circulation.**

Item 2. ***Dissenters' Right of Appraisal***

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

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

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

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

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

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

B. CONTROL AND COMPENSATION INFORMATION

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

(a) Voting Securities:

Number of Shares Outstanding as of March 31, 2023: 1,683,760,178 Common Shares
Number of Votes entitled: One (1) vote per share

(b) Record Date:

All stockholders of record at the close of business on May 2, 2023 are entitled to notice and to vote at the Annual Stockholders' Meeting.

(c) Election of Directors and Voting Rights

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

See Appendix 1 on complete guidelines on voting.

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

(1) Security Ownership of Certain Record and Beneficial Owners

As of March 31, 2023, the following were owners of more than 5% of the Company's outstanding shares:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% to Total Outstanding
Common	Century Pacific Group, Inc./7F Centerpoint Building, Julia Vargas Avenue, Ortigas Center, Pasig City/ Stockholder of Record	Ricardo Gabriel T. Po, Vice Chairman Christopher T. Po, Chairman Teodoro Alexander T. Po, Vice Chairman Leonardo T. Po, Director	Filipino	859,285,441	51.03%
Common	PCD Nominee Corp. (Non- Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	Please see PDC Report as of March 31, 2023 attached as Appendix 2.	Non-Filipino	427,800,634	25.40%

Common	PCD Nominee Corp. (Filipino) / The Enterprise Center, Ayala Avenue corner Paseo de Roxas, Makati City / Stockholder of Record	Please see PDC Report as of March 31, 2023 attached as Appendix 2.	Filipino	360,889,281	21.43%

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

(2) Security Ownership of the Board of Directors and Senior Management

The following are the number of shares owned of record by the directors and key officers of the Company, and nominees for election as director as of March 31, 2023:

Title of Class	**Name of Beneficial Owner**	**Citizenship**	**Amount and Beneficial Ownership**	
			Direct shares	**Indirect shares**
Common	Ricardo Gabriel T. Po	Filipino	1	16
Common	Teodoro Alexander T. Po	Filipino	1	285,722,823
Common	Christopher T. Po	Filipino	1	285,722,823
Common	Leonardo Arthur T. Po	Filipino	1	285,722,823
Common	Vicente L. Gregorio	Filipino	2,471,989	-
Common	Fernan Victor P. Lukban	Filipino	95,001	-
Common	Paulo L. Campos III	Filipino	1	89,000
Common	Frances J. Yu	Filipino	1	-
Common	Lance Y. Gokongwei	Filipino	100	-
Common	Manuel T. Del Barrio	Filipino	210,342	-
Common	Maria Rosario L. Ybanez	Filipino	-	-
Common	Jorge Maria Q. Concepcion	American	649,245	-
Common	Alois Brielbeck	Filipino	359,600	-
Common	Jose Arnold T. Alvero	Filipino	75,555	-
Common	Myrose April C. Victor	Filipino	5,000	-
Common	Gilbert L. Tolentino	Filipino		-
Common	Maria Elma C. Santos	Filipino	-	-
Common	Darel G. Pallesco	Filipino	-	-
TOTAL			**3,866,838**	**857,257,485**

Item 5. ***Directors and Executive Officers***

(1) Directors and Officers

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Pursuant to the Company's amended articles of incorporation and subject to the approval of the SEC of the proposed amendment, the Company's board of directors shall consist of nine (9) members, of whom three (3) are independent directors.

The table below sets forth each member of the board of directors as of March 31, 2023:

Name	**Age**	**Nationality**	**Position**
Ricardo Gabriel T. Po	55	Filipino	Vice Chairman
Teodoro Alexander T. Po	53	Filipino	Vice Chairman
Christopher T. Po	52	Filipino	Chairman
Leonardo Arthur T. Po	46	Filipino	Director and Treasurer
Vicente L. Gregorio	57	Filipino	Director and President
Lance Y. Gokongwei	56	Filipino	Director
Fernan Victor P. Lukban	62	Filipino	Independent Director
Paulo L. Campos III	39	Filipino	Independent Director
Frances J. Yu	53	Filipino	Independent Director

Christopher T. Po (first elected October 5, 2016) was re-elected as the Company's Chairman on June 20, 2022. He concurrently serves as the Executive Chairman of Century Pacific Food, Inc. (CNPF), a Director of Arthaland Corporation (ALCO), a property developer listed on the PSE, and a Director of Maya Bank and AB Capital & Investment Corporation. Prior to those roles, he was Managing Director for Guggenheim Partners, a U.S. financial services firm where he was in charge of the firm's Hong Kong office. Previously, he was a Management Consultant at McKinsey and Company working with companies in the Asian region. He also worked as the Head of Corporate Planning for JG Summit Holdings, a Philippine-based conglomerate with interests in food, real estate, telecom, airlines, and retail. He graduated summa cum laude from the Wharton School and College of Engineering of the University of Pennsylvania with dual degrees in Economics (finance concentration) and applied science (system engineering) in 1991. He holds a Master degree in Business Administration from the Harvard University Graduate School of Business Administration. He is a member of the Board of Trustees of the Ateneo de Manila University as well as a member of the Board of Asia Society Philippines, and he is the President of the CPG-RSPo Foundation.

Ricardo Gabriel T. Po, Jr. (first elected October 5, 2016) was re-elected as the Company's Vice Chairman on June 20, 2022. He concurrently serves as a Vice Chairman of Century Pacific Food, Inc. (CNPF). He was the Executive Vice President and Chief Operations Officer of CNPF from 1990 to 2006 and became the Vice Chairman of its Board of Directors in 2006. He graduated magna cum laude from Boston University with a Bachelor of Science degree in Business Management in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School in 2000.

Teodoro Alexander T. Po, (first elected October 5, 2016) was re-elected as the Company's Vice Chairman on June 20, 2022. He concurrently serves as President and Chief Executive Officer and Vice Chairman of Century Pacific Food, Inc. (CNPF). He graduated summa cum laude from Boston University with a Bachelor of Science degree in Manufacturing Engineering in 1990. He also completed the Executive Education Program (Owner-President Management Program) at Harvard Business School.

Leonardo Arthur T. Po, (first elected October 5, 2016) was re-elected as the Company's Director and Treasurer on June 20, 2022. He concurrently serves as the Director and Treasurer of Century Pacific Food, Inc. (CNPF). He graduated magna cum laude from Boston University with a degree in Business Administration and has extensive and solid business development experience in consumer marketing, finance and operations of fast-moving consumer goods (FMCG), foodservice, quick-serve restaurants, and real estate development.

Paulo L. Campos III, (first elected October 14, 2016) was re-elected as Independent Director of the Company on June 20, 2022. He was first elected an Independent Director of the Company on October 14, 2016. Mr. Campos is the co-founder and Chief Executive Officer of ZALORA Philippines, having founded the company in the late 2011. Prior to ZALORA, he was a management consultant with The Boston Consulting Group in Singapore where he worked with companies across the region on issues related to business development, organizational development, investor communications and strategy. Mr. Campos holds a Master in Business Administration from Harvard Business School and graduated magna cum laude from Princeton University with a degree from its Woodrow Wilson School of Public and International Affairs. After university, he was employed with Ayala Land, Inc. as Special Assistant to the President until 2008.

Vicente L. Gregorio, (first elected October 5, 2016) was re-elected as the Company's director on June 20, 2022. Mr. Vicente Gregorio has also been the Company's President and Chief Executive Officer since March 2013. He has more than 30 of experience in the food business, previously serving as Operations Director in various food service companies prior to assuming the position of Executive Vice President and Chief Operations Officer of the Company in February 2003. He also currently serves as a member of the board of the Philippine Franchise Association, Cavallino, Inc., Don Bosco Technical College, Bosconian International Chamber of Commerce, and Plan Master Insurance and Financial Services, Inc. Mr. Vicente Gregorio graduated from Central Colleges of the Philippines with a degree in Bachelor of Science in Electrical Engineering and has earned units in the Business Administration Master's program of the Graduate School of Business at Ateneo de Manila University.

Lance Y. Gokongwei, (first elected June 20, 2021) was re-elected as the Company's Non-Independent Director on June 20, 2022. He is the Chairman of Universal Robina Corporation and is the President and Chief Executive Officer of JG Summit Holdings Inc. He is the Chairman of Altus Ventures Property, Inc., Robinsons Retail Holdings, Inc., Robinsons Land Corporation, JG Summit Petrochemical Corporation, JG Summit Olefins Corporation and Robinsons Bank Corporation. He is the President and Chief Executive Officer of Cebu Air, Inc. He is a director and Vice Chairman of Manila Electric Company and a director of Oriental Petroleum and Minerals Corporation, United Industrial Corporation Limited and Meralco Powergen Corporation. He is also the Chairman and trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Fernan Victor P. Lukban, (first elected October 14, 2016) was re-elected as the Company's Lead Independent Director on June 20, 2022. He concurrently serves as the Lead Independent Director of Century Pacific Food, Inc. (CNPF), as an Independent Director of ALCO, and as a Director of Central Azucarera de Tarlac, Inc. (CAT). He is a highly regarded consultant in family business, strategy, entrepreneurship, and governance. He is active in Base of the Pyramid initiatives all over the Philippines and helps professionalize Boards throughout the country. He holds undergraduate degrees in engineering (Industrial Management - Mechanical from De La Salle University, Manila) and graduate degrees in economics (MSc in Industrial Economics from the

Center for Research & Communication, now University of Asia & the Pacifc) and in business (MBA from IESE Barcelona, Spain). He spent much of his early professional years in academia, helping establish the University of Asia & the Pacifc where he currently participates as a consultant, mentor, and guest lecturer. He is a founding fellow of the Institute of Corporate Directors.

Frances J. Yu, (first elected August 16, 2018) was re-elected as the Company's Independent Director on June 20, 2022. She concurrently serves as an Independent Director of Century Pacific Food, Inc. (CNPF). She was previously the Chief Retail Strategist of Mansmith and Fielders, Inc., the largest marketing and sales training company in the Philippines. Prior to this, she was the Vice President and Business Unit Head of Rustan's Supermarket and the Vice President and Head of Marketing Operations for Rustan's Supercenters, Inc. She founded FJY Consulting, Inc., a corporate marketing and management consulting company which she managed as President. She was also the Vice President and General Manager of a marketing research and consulting firm catering to the top 500 corporations in several sectors. From 2003 to 2005, she served as the Chairperson for the National Retail Conference and Stores Asia Expo (NRCE) Programs Committee of the Philippine Retailers Association. She graduated summa cum laude from Fordham University, New York with a Bachelor of Arts degree in English Literature. She graduated magna cum laude from Augustine Institute in Denver, with a Master's Degree in Theology.

The following table summarizes the directorships held by members of the Company's board of directors in companies listed in the PSE.

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

The table below sets forth the key executive and corporate officers as of March 31, 2023

Name	Age	Nationality	Position
Jose Arnold T. Alvero	60	Filipino	Chief Operating Officer and Business Unit Head for Potato Corner
Alois Brielbeck	62	German	General Manager (commissary)

Kellda M. Centeno	38	Filipino	Group Director for Digital, Loyalty and Delivery
Jorge Maria Q. Concepcion	66	American and Filipino	General Manager
Manuel T. Del Barrio	59	Filipino	Vice-President and Chief Financial Officer
Vicente L. Gregorio	57	Filipino	President and Chief Executive Officer
Rubenrico R. Marasigan*	47	Filipino	Chief Human Resources Officer
Darel G. Pallesco	36	Filipino	Chief Audit Executive
Maria Elma C. Santos*	46	Filipino	General Manager – Peri Peri
Oliver Angelo C. Sicam	44	Filipino	Group Director for Marketing
Yiow Leong Tan	49	Singaporean	Group Director for International
Gilbert L. Tolentino	52	Filipino	Business Unit Director and R&B General Manager
Myrose April C. Victor	39	Filipino	Investor Relations Head
Maria Rosario L. Ybanez	47	Filipino	Corporate Secretary

*Rubenrico R. Marasigan resigned as Chief Human Resources Officer effective on April 17, 2023. Maria Elma C. Santos was appointed as his replacement.

Jose Arnold T. Alvero was appointed as Chief Operating Officer and Business Unit Head of Potato Corner in January 2022. is a hospitality professional with more than 35 years of transnational experience in Hotel Operations, Restaurant General Management, Franchising, Business Development, Guest Service Management, and Strategic Planning. Prior to his new appointment, he was the Vice President - International Operations & Director for Franchise. He was also the Business Unit GM for Franchised Store Operations as well as Director for Franchise and Business Development where he led the store network expansion & growth of Shakey's Philippines outside of Metro Manila and developed the Franchise ACE program for its esteemed franchisees. Previous to that, he was Planning and Business Development Director of Shakey's Philippines wherein he strengthened the brand's Countrywide Development Plan and steered the company's Business Development team. Before joining Shakey's Philippines, he was the Corporate Franchising and Channel Development Head of One Food Group and oversaw the development of the Tokyo Tokyo and Mister Donut franchising programs. Before that, he also served as Regional Business Unit (RBU) General Manager for both Company-Owned and Franchised stores for Mister Donut. He also had stints in Red Ribbon Bakeshop, Inc, McDonald's Philippines, The Palace Hotel, Beijing, and The Mandarin Oriental, Manila in various managerial capacities in Operations and Guest Services early in his career. Jose is a graduate of the University of the Philippines where he finished a B.S. Hotel and Restaurant degree, cum laude.

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

Manuel T. Del Barrio, was re-elected Vice-President and Chief Financial Officer on June 20, 2022 and has been Vice-President and Chief Financial Officer since March 31, 2016. He concurrently holds the position of Chief Risk Officer and Compliance Officer of the Company. He was previously the Assistant Vice-President for Finance of CNPF and The Pacific Meat Company, Inc. He previously worked as an Industrial Accounting Manager in TEMIC Telefunken Semiconductors, Inc. and held accounting positions in Hooven Philippines and Sanara, Inc. He has a degree in Bachelor of Science in Business Administration from the University of the East, and holds a Master in Business Administration (Regis Program) from the School of Business of the Ateneo de Manila University. He is a Certified Public Accountant and a Certified Management Accountant.

Kellda M. Centeno, has been the Corporation's Group Director for Digital, Loyalty and Delivery in February 2023. Ms. Centeno joined Shakey's in March 2020 as the Delivery Business Unit Head providing leadership in all aspects of the Shakey's Delivery Business Unit. Ms. Centeno served as Chief Operating Officer of Storm Technologies prior to joining SPAVI and has 15 years of leadership roles in various companies which includes Unilever Philippines. She was also the co-owner/co-founder of a Filipino restaurant group franchise where she plays a key role in the business expansion plans. Ms. Centeno graduated Magna cum laude with a bachelor's degree in Management at the Ateneo de Manila University.

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

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

Maria Elma C. Santos, is the Corporation's General Manager for Peri Peri Business Unit. Ms. Santos was previously Shakey's Guest Engagement Director in 2015, and General Manager of Project Pie from 2016 to 2017. Mid of 2017, became Shakey's Delivery Systems Head and headed the HR Division of Shakey's until mid-2019. She currently leads the team of Peri-Peri as the General Manager. She earned her Master's degree in Business Administration from the Ateneo-Regis Program.

Oliver Angelo C. Sicam was elected as the Company's Group Director for Marketing on February 2023. Mr. Sicam has built his expertise in Market Development, Brand and Category Strategy, Brand Communication & Innovation, Developing and Emerging Markets from various industries and geography. Before joining SPAVI, he pursued and deepened his experience in the social impact space, as the Managing Director of GenerationHope, Inc. wherein he oversees the Sales, Marketing, Operations, Accounting and HR functions. He was also the Marketing & Strategy Director for Plastic Credit Exchange, the 1st Global Non-profit Plastic Offset Program. Early in his career, he held various leadership roles in several industry leaders such as Unilever in the Philippines, UK, and Brazil, and multiple brands for Jollibee Foods Corporation.

Yiow Leong Tan, was elected as the Company's Group Director for International on February 2023. Mr. Tan has more than 25 years of transnational experience in Business Development, Market Development, and Investment & Asset Management. Before joining SPAVI, he was the Business Development Director – International Franchise for Minor Food Group where he spearheaded the growth of the Group's brand in the international market. Prior to that, he held various posts in Yum! Brands, Inc., a US Fortune 500 company that operates quick service restaurants including KFC, Pizza Hut and Taco Bell. His last post is Consultant for KFC Asia Development, where he led regional franchise teams to enable sustainable and profitable growth in the region. He also had stints in Metro Group AG, Focus Brands International, Capitaland Retail Limited, Shell Oil Company and Deutsche Bank AG in various managerial capacities early in his career. Mr. Tan is a graduate of where he finished a Bachelor of Science in Economics in London School of Economics and Political Science and earned a Master of Science in Economics in the same school.

Gilbert L. Tolentino, is the Corporation's Business Unit Director and R&B Tea General Manager. Mr. Tolentino has 33 years of experience in the food industry and has handled different departments like Operations, Training, Organization Development, Franchising, Business Development, and Technical Services. Previously the Group Training Manager for Pancake House, Dencio's, and Teriyaki Boy. Mr. Tolentino has been with PIZZA for 15 years.

Myrose April C. Victor, was appointed as the Company's Investor Relations Head on June 20, 2022. Ms. Victor has 16 years of work experience in the Finance, Accounting, Corporate Planning, Systems Implementation and General Management functions in different industries such as food retail, banking and energy. Prior to joining CPFI, Ms. Victor was the Head of Finance for DOLE's Packaged Division, handling the functions of Finance Planning and Controllership for the Philippines and Other Distributor Markets. Ms. Victor also handled various roles on general and finance management and led transformation and turnaround projects for companies in the food, energy and banking industries. Ms. Victor graduated as magna cum laude in 2005 from the University of the Philippines with a degree in BS Business Administration and Accountancy. Ms. Victor also completed her Global Master in Finance from IE Business School in 2019.

Maria Rosario L. Ybanez, was re-elected as the Company's Corporate Secretary on June 20, 2022. She concurrently serves as the Legal Counsel and Compliance Officer of CNPF. Atty. Ybanez graduated with a Bachelor of Arts degree in Legal Management from the Ateneo de Manila University and obtained her J.D. from the Ateneo de Manila School of Law.

(2) Significant Employees

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

(3) Nomination of Directors

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

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

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

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

(4) Family Relationships

Mr. Christopher T. Po, Mr. Ricardo Gabriel T. Po, Mr. Teodoro Alexander T. Po and Mr. Leonardo Arthur T. Po are brothers. Aside from the foregoing, there are no family relationships between any Directors and any members of the Company's senior management as of March 31, 2023.

(5) Legal Proceedings

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

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

(6) Certain Relationships and Related Transactions

The Company is a subsidiary of Century Pacific Group, Inc. (CPG) and is a member of Century Pacific Group, Inc.'s Group of Companies (the Group). As of March 31, 2023, Century Pacific Group, Inc. holds 859,285,441 common shares of the outstanding shares of the Company.

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

The most significant of these transactions would include:

a) 20-year lease agreement with CPGI on a property in Taguig City, Metro Manila where the BMI's new corporate headquarters and commissary plant were constructed
b) Purchase of inventories such as raw meat and poultry materials from PMCI
c) Sales of raw materials such as potatoes and royalty charges to PMCI
d) Purchase of inventories such as Peri-peri mixes, ribs and canned tuna from CPFI
e) Sales of raw materials such as potatoes to CPFI

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

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

A summary of the Company’s transactions and outstanding balances with related parties as at and for the period ended December 31, 2022 is set out below:

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance Receivable (see Note 8)	Outstanding Balance Payable (see Note 16)	Terms	Conditions
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	**2022**	**₱8,489,353**	**₱3,082,080**	**₱–**	30-day; non-interest bearing	Unsecured; not impaired
		2021	**7,685,937**	2,389,537	–		
		2020	3,219,631		–		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	-	-	–	30-day; non-interest bearing	Unsecured
		2021	-	-	-		
		2020	-	-	–		
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	**2022**	**17,898,896**	**9,693,410**	–	30-day; non-interest bearing	Unsecured; not impaired
		2021	17,510,534	14,349,478	–		
		2020	27,510,242				
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	**248,948,140**	–	**121,785.346**	30-day; non-interest bearing	Unsecured
		2021	130,969,714	–	51,919,361		
		2020	45,847,763	–			
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	**2022**	-	**2,778,786**	–	30-day; non-interest bearing	Unsecured; not impaired
		2021	99,814	2,778,786	–		
		2020	534,411				
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	-	–	**293,488**	30-day; non-interest bearing	Unsecured
		2021	1.392.369	–	293.488		
		2020	–				
Snow Mountain Dairy Corporation (SMDC)							
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	–	–	–	30-day; non-interest bearing	Unsecured
		2021	–	–	–		
		2020	**1,142,575**				
(Forward)							
Century Pacific Food Inc. (CPFI)							
Sales	Sale of goods at prices (normally on cost-plus basis) mutually agreed upon by both parties	**2022**	**₱20,536,620**	**₱9,359,643**	**₱–**	30-day; non-interest bearing	Unsecured; not impaired
		2021	22,184,403	6,410,531	–		
		2020	10,870,848				
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	**29,380,586**	–	**4,969,147**	30-day; non-interest bearing	Unsecured
		2021	19,680,597	–	9,051,507		
		2020	10,188,271				
		2022		**₱24,913,919**	**₱127,047,981**		
		2021		25,928,331	61,264,356		

See note 18 of the 2022 Audited Financial Statement attached herein as Appendix 7.

The outstanding balances as of December 31, 2022 are as follows:

Amounts in Php	As of December 31, 2022
Due from related parties	24,913,919
Due to related parties	127,047,981

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

Item 6. *Compensation of Directors and Executive Officers*

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

No director should participate in deciding on his remuneration.

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

(a) Summary Compensation Table

CEO and five other most highly compensated executive officers

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

Name	Principal Position	Year	Salary	Bonus	Other Compensation
Vicente L. Gregorio	President & CEO	2021	₱60,409,637		
Manuel T. Del Barrio	Vice President & CFO				
Jorge Maria Q. Concepcion	General Manager – Shakey's				
Marielle C. Santos	General Manager – Peri- Peri				
Alois Brielbeck	General Manager – BMI				
Jose Arnold T. Alvero	Vice President – International Operations & Director – Franchise & Business Development				

Aggregate compensation paid to all Executive Officers and Directors

Name	Principal Position	Year	Salary	Bonus	Other Compensation
Aggregate compensation paid to all executive officers and directors as a group unnamed		2022	Php91,720,518		

Compensation of Directors

Independent directors receive a per diem of *PhP63,158.00* to *PhP66,667.00* for attendance in a board meeting, as well as for attendance in Committee meetings. Executive and Non-Independent Directors do not receive compensation as directors. Please see below for a breakdown of director's compensation for the year 2022.

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

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

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

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

(b) Corporate Governance Committee

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

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

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no special employment contracts or other arrangements between the Company and its officers or directors, as well as special compensatory plans or arrangements, including payment to be received from the Company with respect to any named director or executive.

(d) Warrants and Options Outstanding

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

(e) Standard Arrangement

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

(f) Other Arrangements

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

Item 7. ***Independent Public Accountants***

(a) External Auditor

SGV & Co., a member firm of Ernst & Young, independent auditors, has audited the Company's financial statements as at and for the years ended December 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022. SGV & Co. has been the Company's Independent Public Accountants since 1975 and will be recommended to be re-appointed as the external auditor of the Company for the ensuing year. Christine G. Vallejo is the current audit partner. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period. SGV & Co. has neither shareholdings in us nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in us. SGV & Co. does not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

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

SGV & Co. also audited the Company's financial statements as of December 31, 2022 in accordance with the Philippine Standards on Auditing.

SGV & Co. has reviewed our pro forma adjustments and the application of those adjustments to the historical amounts in the pro forma condensed consolidated financial information as of December 31, 2019 in accordance with the Philippine Standard on Assurance Engagements 3000, *Assurance Engagements Other than Audits or Review of Historical Financial Information*, and the Philippines Securities and Exchange Commission Memorandum Circular No. 2, Series of 2008, *Guideline on Attestation of Pro Forma Financial Information*. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assumptions, the pro forma adjustments and the application of those adjustments to historical financial information. Accordingly, SGV & Co. does not express such opinion on the pro forma condensed consolidated financial information.

(b) Audit Fees

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

	2021	**2022**
Audit and Audit-Related fees	PhP3,415,000.00	PhP5,107,000.00

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

(c) Audit Committee and Policies

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

The audit committee consists of three members of the Board of Directors, at least one of whom is an independent director, including the chairman of the committee. The audit committee, with respect to an external audit:

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

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

- Prior to publishing the year-end earnings, discusses the results of the audit with the independent auditors.

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

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

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

(d) Audit Committee

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

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

Item 8. ***Compensation Plans***

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

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

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

Item 10. ***Modification or Exchange of Securities***

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

Item 11. ***Financial and Other Information***

The audited financial statements as of December 31, 2022 and other data related to the Company's financial information are attached hereto as Appendix 7.

The interim financial statements as of March 31, 2023, and other data related to the Company's financial information are attached hereto as Appendix 8.

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

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

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

Item 13. ***Acquisition or Disposition of Property***

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

Item 14. ***Restatement of Accounts***

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

D. OTHER MATTERS

Item 15. ***Action with Respect to Reports***

There is no action to be taken with respect to any report to any report of the Company or its directors, officers or committees, except for the approval of the minutes of the previous annual meeting of PIZZA held on June 20, 2022 ("2022 ASM") and for the ratification of all acts of the Board of Directors during their term of office. A copy of the June 20, 2022 minutes is attached as Appendix 9. A summary of the Agenda matters, the tally of votes cast, and the description of the opportunity given to the stockholders to ask questions is transcribed below:

1. Minutes of the Previous Annual Meeting

Stockholders who executed proxies were asked to submit their proxy forms to PIZZA's principal office at the WOW Center, 15Km East Service Rd., Brgy. San Martin De Porres, Parañaque City, for proxy validation on or before 5:00 PM on May 31, 2022. Thereafter, the proxies were validated and the votes were tabulated by the Corporate Secretary and verified by the external auditor. Stockholders who opted to vote in person were given forms to fill-in before the meeting.

All items of the agenda for the 2022 ASM were approved. The voting results are as follows:

Agenda	Voting Results		
	For	Against	Abstain
Call to Order	76.70%	0.00%	1.62%
Secretary's Proof of Due Notice of the Meeting and Determination of Quorum	76.70%	0.00%	1.62%
Approval of the Minutes of the Stockholders' Meeting held on July 15, 2021	100.00%	0.00%	0.00%
Management's Report	100.00%	0.00%	0.00%

Approval and Ratification of all Acts of the Board of Directors, Board Committees and Management for the year 2020	100.00%	0.00%	0.00%
Election of Board of Directors			
Ricardo Gabriel T. Po	95.27%	4.73%	0.00%
Christopher T. Po	95.27%	4.73%	0.00%
Teodoro Alexander T. Po	95.27%	4.73%	0.00%
Leonardo Arthur T. Po	95.27%	4.73%	0.00%
Vicente L. Gregorio	95.27%	4.73%	0.00%
Lance Y. Gokongwei	95.27%	4.73%	0.00%
Fernan Viktor P. Lukban (Independent)	95.27%	4.73%	0.00%
Paulo L. Campos. III (independent)	95.27%	4.73%	0.00%
Frances J. Yu (Independent)	95.27%	4.73%	0.00%
Appointment of External Auditor	100.00%	0.00%	0.00%
Other Matters	71.97%	23.30%	4.73%
Adjournment	71.97%	0.00%	7.66%

During the meeting, stockholders were given the opportunity to ask questions from the Board of Directors after each agenda item except Call to Order, Proof of Notice of the Meeting and Determination of Quorum, and Adjournment. The questions asked and answers given during the meeting is recorded in the minutes for the 2022 ASM.

The following directors and officers were present during the 2022 ASM:

Mr. Christopher T. Po	-	Chairman
Mr. Ricardo Gabriel T. Po	-	Vice Chairman
Mr. Teodoro Alexander T. Po	-	Vice Chairman
Mr. Leonardo Arthur T. Po	-	Director and Treasurer
Mr. Vicente L. Gregorio	-	President and CEO
Mr. Lance Y. Gokongwei	-	Director
Mr. Paulo L. Campos, III	-	Independent Director
Mr. Fernan Victor P. Lukban	-	Independent Director
Ms. Frances J. Yu	-	Independent Director
Manuel T. Del Barrio	-	Chief Financial Officer, Compliance Officer, Chief Risk Officer and Chief Information Officer
Adrian Foo Qijing	-	GIC Private Limited Representative
Weihan Wong	-	GIC Private Limited Representative
Jorge Maria Q. Concepcion	-	Shakey's General Manager
Jose Arnold T. Alvero	-	Chief Operating Officer and Business Unit Head of Potato Corner
Alois Brielbeck	-	BMI General Manager
Maria Elma C. Santos	-	Peri Peri General Manager
Gilbert Tolentino	-	Shakey's Company-Owned Business Unit Director and R&B General Manager
Darel G. Pallesco	-	Corporate Internal Audit Manager
Myrose April C. Victor	-	Investor Relations Head
Atty. Maria Rosario L. Ybanez	-	Corporate Secretary

The stockholders who attended the 2022 ASM represented a total of 1,403,806,115 common shares, constituting 83.37% of the total outstanding capital stock of PIZZA as of record date May 4, 2022.

2. Acts of the Board of Directors

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

For reference, we have attached as Appendix 10 a schedule of the dates of the Board of Directors' meetings and the resolutions made during the meeting. We have also attached as Appendix 11 a list of reports covering Directors' disclosures on Self-Dealings until March 31, 2023.

3. Appraisals and performance reports for the board

Please see Corporate Governance portion.

Item 16. ***Matters Not Required to be Submitted***

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

Item 17. ***Other Proposed Action***

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

Item 18. ***Voting Procedures***

1. Manner of Voting

Method: Straight and Cumulative Voting

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

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

There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done *viva voce*, by show of hands, or by balloting. During the last stockholders' meeting held on June 20, 2022, votes were cast by balloting and counted in the manner prescribed herein.

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

2. Vote required for approval

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

3. Methods of Counting Votes

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

Please see Appendix 1 on the complete voting guidelines.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig City on May 15, 2023.

By:______________________________
Maria Rosario L. Ybanez
Corporate Secretary

UNDERTAKING

The Company will post and make available for download the full version of this SEC Form 20-IS (Definitive Information Statement), together with all its annexes including the 2022 consolidated audited financial statements of the Company and the First Quarter 17-Q on the company website https://www.shakeyspizza.ph/ upon its approval by the Securities and Exchange Commission

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

MANAGEMENT REPORT

BUSINESS OVERVIEW AND GENERAL INFORMATION

Shakey's Pizza Asia Ventures Inc. (SPAVI) or PIZZA, is the market leader in chained pizza full service restaurant, chained full service restaurant, and chained kiosks with 66.3%, 28.6%, and 14.8% market shares, respectively, based on data from Euromonitor. As of December 31, 2022, it operated a total of 1,772 stores and kiosks - a mix of company-owned and franchise outlets in the Philippines and abroad.

PIZZA has over 40 years of brand legacy in the Philippines. Originally an American brand established in 1954, Shakey's expanded into the Philippines in 1975, and has since become a household name to generations of Filipinos. PIZZA is a strong brand because of its unique products paired with excellent guest service. It is best known for its original thin crust pizza and iconic Chicken N' Mojos.

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

PIZZA is able to serve the A, B and upper C income classes through its various sales channels. PIZZA's dine-in segment caters mostly to families and friends who want an affordable upgrade from the usual fast-food dining. At the same time, PIZZA also reaches it guests through its delivery segment. With the shift of consumer trends towards safety and convenience, PIZZA ensures that it continues to operate well-designed, comfortable, clean and guest-oriented stores, operate an efficient delivery system for guests, and expand its online sales platform to align itself with current market and consumption trends.

PIZZA is accessible nationwide through various store formats. These formats differ in size ranging from 120 sqm to 400 sqm. Smaller stores tend to need lower capital investment. This allows PIZZA flexibility to serve the demand of a specific market, while still achieving the desired profitability.

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

Finally, PIZZA operates a simple business model that is cash generative and requires low upfront costs due to the simplicity of its products. This model enables high financial liquidity and an average payback period of 3 to 4 years. PIZZA also has a well-established franchised model with an industry-leading return on investment averaging 4 years.

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

Subsequently, on December 15, 2016, PIZZA successfully listed on the Main Board of the Philippine Stock Exchange (PSE) with a total of 1,531,321,053 common shares at ₱11.26 per share.

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

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

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

FACTORS AFFECTING RESULTS OF OPERATIONS

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

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

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

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

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

PIZZA hires approximately 1,300 full-time employees, a portion of which are covered by a 5-year collective bargaining agreement renewed on October 15, 2021. Although PIZZA's operations have never been affected by any labor dispute in the past, it cannot assure that it will not experience labor unrest and activism in the future, which may affect its business, financial condition and result of operations.

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

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

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

KEY VARIABLE AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PIZZA's net sales exhibits seasonal fluctuations. Historically, PIZZA typically follows family eating patterns at home, with our strongest sales levels occurring in the months of March, May, August and December, and our lowest sales levels occurring in the months of January, February, June and July. The Company takes advantage of stronger seasonal sales by implementing campaigns geared towards increasing average check per guest and launching marketing strategies to increase transaction count during seasons with lower sales levels.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL POSITION
31 March 2023 vs. 31 December 2022

	31 Mar 2023	**31 Dec 2022**	**Change**
Cash and cash equivalents	682,129,783	989,578,790	-31%
Trade and other receivables	1,109,426,161	1,133,066,392	-2%
Inventories	1,155,571,468	1,001,114,060	15%
Prepaid expenses and other current assets	486,425,712	730,884,353	-33%
Property and equipment	1,782,980,396	1,764,723,405	1%
Intangible assets	10,335,737,470	10,339,886,416	0%
Right-of-use asset	1,376,856,224	1,443,780,579	-5%
Deferred input value-added tax	9,123,102	9,653,323	-5%
Deferred tax assets	73,682,477	25,566,418	188%
Rental and other non-current assets	267,069,249	270,164,541	-1%
TOTAL ASSETS	**17,279,002,040**	**17,708,418,277**	**-2%**
Accounts payable and other current liabilities	1,437,708,345	2,132,213,295	-33%
Short-term loan	500,000,000	500,000,000	0%
Current portion of loan payable	47,932,514	47,932,514	0%
Current portion of unearned franchise fees	13,445,337	13,445,337	0%
Lease liability - current	58,902,122	58,902,122	0%
Income tax payable	141,297,852	52,155,804	171%
Noncurrent portion of loan payable	5,242,625,440	5,242,625,440	0%
Dealers' deposit and other non-current liabilities	155,459,895	146,635,403	6%
Unearned franchise fees	61,848,177	61,226,844	1%
Lease liability - non-current	1,597,164,626	1,641,116,052	-3%
Accrued pension costs	96,268,870	86,599,794	11%
Deferred tax liabilities - net	679,788,566	679,788,566	0%
Total Liabilities	**10,032,441,744**	**10,662,641,171**	**-6%**
Capital stock	1,683,760,178	1,683,760,178	0%
Additional paid-in capital	2,451,116,470	2,451,116,470	0%
Retained earnings	3,078,145,685	2,877,362,495	7%
Other components of equity	33,537,963	33,537,963	0%
Total Equity	**7,246,560,296**	**7,045,777,106**	**3%**
TOTAL LIABILITIES AND EQUITY	**17,279,002,040**	**17,708,418,277**	**-2%**

Shakey's Pizza Asia Ventures, Inc.'s total resources as of 31 March 2023 was at ₱17.28 billion, 2% lower than the 31 December 2022 level of ₱17.71 billion, due to the following:

31% Decrease in Cash and Cash Equivalents
As of March 2023, cash and cash equivalents totaled ₱990 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash. Cash flow used in operations were at ₱88 million, with ₱91 million net outflows on investing activities and ₱128 million net outflows from financing activities.

15% Increase in Inventories
Inventories amounted to ₱1.16 billion as of the first quarter of 2023 compared to ₱1.00 billion as of end 2022. The increase is driven by higher inventories purchased to support the growth of the Company's business.

33% Decrease in Prepaid expenses and other current assets
Prepaid expenses and other current assets stood at ₱486 million as of the first quarter of 2023 compared to ₱731 million in end-2022. The decrease is driven by lower advances to suppliers.

188% Increase in Deferred tax assets
The increase is driven by net operating loss carryover recognized in the first quarter of 2023.

33% Decrease in Accounts payable and other current liabilities
The decrease is driven by lower trade payables in the first quarter of 2023 compared to end-2022.

171% Increase in Income tax payable
The increase is driven by the higher current tax expense for the first quarter of 2023.

FINANCIAL POSITION
31 December 2022 vs. 31 December 2021

	31 Dec 2022	31 Dec 2021	Change
Cash and cash equivalents	989,578,790	485,414,521	104%
Trade and other receivables	1,133,066,392	723,983,367	57%
Financial assets at FVTPL	-	300,000,000	-
Inventories	1,001,114,060	432,876,226	131%
Prepaid expenses and other current assets	730,884,353	187,556,789	290%
Property and equipment	1,764,723,405	1,373,563,312	28%
Intangible assets	10,339,886,416	7,034,324,209	47%
Right-of-use asset	1,443,780,579	1,231,516,139	17%
Deferred input value-added tax	9,653,323	28,234,552	-66%
Deferred tax assets	25,566,418	247,956,292	-90%
Rental and other non-current assets	270,164,541	589,287,521	-54%
TOTAL ASSETS	**17,708,418,277**	**12,634,712,928**	**40%**

Accounts payable and other current liabilities	2,132,213,295	968,634,979	120%
Short-term loan	500,000,000	-	-
Current portion of loan payable	47,932,514	47,986,963	0%
Current portion of unearned franchise fees	13,445,337	18,965,155	-29%
Lease liability - current	58,902,122	92,010,032	-36%
Income tax payable	52,155,804	1,557,290	3249%
Noncurrent portion of loan payable	5,242,625,440	3,692,570,991	42%
Dealers' deposit and other non-current liabilities	146,635,403	83,979,903	75%
Unearned franchise fees	61,226,844	63,232,658	-3%
Lease liability - non-current	1,641,116,052	1,388,726,488	18%
Accrued pension costs	86,599,794	96,260,947	-10%
Deferred tax liabilities - net	679,788,566	-	-
Total Liabilities	**10,662,641,171**	**6,453,925,406**	**65%**
Capital stock	1,683,760,178	1,683,760,178	0%
Additional paid-in capital	2,451,116,470	2,451,116,470	0%
Retained earnings	2,877,362,495	2,053,473,219	40%
Other components of equity	33,537,963	(7,562,345)	-543%
Total Equity	**7,045,777,106**	**6,180,787,522**	**14%**
TOTAL LIABILITIES AND EQUITY	**17,708,418,277**	**12,634,712,928**	**40%**

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

104% Increase in Cash and Cash Equivalents
As of end 2022, cash and cash equivalents totaled ₱990 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash. Cash flow from operations generated ₱1.62 billion, offset by ₱2.53 billion net outflows on investing activities and ₱1.42 billion net inflows from financing activities.

57% Increase in Trade and Other Receivables
Trade and other receivables stood at ₱1.13 billion as of end 2022 compared to ₱724 million in end 2021. The increase is driven by the growth of the Company's business both due to the recovery of existing businesses following the economic re-opening and due to the integration of the Potato Corner (PC) business starting 2022.

131% Increase in Inventories
Inventories amounted to ₱1.00 billion as of end 2022 compared to ₱433 million as of end 2021. The increase is driven by the growth of the Company's business both due to the recovery of existing businesses following the economic re-opening and due to the integration of the PC business starting 2022.

290% Increase in Prepaid expenses and other current assets
Prepaid expenses and other current assets stood at ₱731 million as of end 2022 compared to ₱188 million in end 2021. The increase is driven by the growth of the Company's

business both due to the recovery of existing businesses following the economic re-opening and due to the integration of the PC business starting 2022.

28% Increase in Property and equipment
The increase reflects the net movements on property, plant and equipment from additions, depreciation and retirement.

47% Increase in Intangible assets
The increase reflects the trademarks and goodwill arising from the business acquisition in 2022.

17% Increase in Right-of-use assets
The increase is driven by the Company's store network expansion in 2022.

90% Decrease in Deferred tax assets
The decrease is driven by the adjustment on previously recognized deferred tax assets as a result of the 2020 net operating loss carryover.

54% Decrease in Rental and other non-current assets
The decrease is driven by funds set aside for investments which were realized in 2022.

120% Increase in Accounts payable and other current liabilities
The increase is driven by the growth of the Company's business both due to the recovery of existing businesses following the economic re-opening and due to the integration of the PC business starting 2022.

Addition of Short-term loans payable, 42% increase in Non-Current loan payable
The loans availed in 2022 refers to support for working capital, asset purchases and capital investment requirements.

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

Recognition of Deferred tax liabilities
The increase is driven by the acquisition of the PC business in 2022.

40% Increase in Retained earnings
The increase in retained earnings is driven by the recognition of the Company's consolidated net income for 2022 of ₱874 million.

FINANCIAL POSITION
31 December 2021 vs. 31 December 2020

	31 Dec 2021	31 Dec 2020	Change
Cash and cash equivalents	485,414,521	607,674,132	-20%
Trade and other receivables	723,983,367	561,004,570	29%
Financial assets at FVOCI	300,000,000	120,000,000	150%
Inventories	432,876,226	444,941,572	-3%
Prepaid expenses and other current assets	187,556,789	132,042,576	42%

Property and equipment	1,373,563,312	1,419,634,223	-3%
Intangible assets	7,034,324,209	7,051,509,002	0%
Right-of-use asset	1,231,516,139	1,311,464,060	-6%
Deferred input value-added tax	28,234,552	48,423,974	-42%
Deferred tax assets	247,956,292	350,172,528	-29%
Rental and other non-current assets	589,287,521	173,125,540	240%
TOTAL ASSETS	**12,634,712,928**	**12,219,992,177**	**3%**
Accounts payable and other current liabilities	968,634,979	801,171,873	21%
Short-term loan	-	1,050,000,000	-100%
Current portion of loan payable	47,986,963	48,099,942	0%
Current portion of unearned franchise fees	18,965,155	16,020,186	18%
Lease liability - current	92,010,032	211,544,249	-57%
Income tax payable	1,557,290	3,156,468	-51%
Noncurrent portion of loan payable	3,692,570,991	3,740,497,427	-1%
Dealers' deposit and other non current liabilities	83,979,903	41,240,550	104%
Unearned franchise fees	63,232,658	73,600,393	-14%
Lease liability - non-current	1,388,726,488	1,319,058,770	5%
Accrued pension costs	96,260,947	131,238,332	-27%
Total Liabilities	**6,453,925,406**	**7,435,628,190**	**-13%**
Capital stock	1,683,760,178	1,531,321,053	10%
Additional paid-in capital	2,451,116,470	1,353,554,797	81%
Retained earnings	2,053,473,219	1,964,168,269	5%
Other components of equity	(7,562,345)	(64,680,132)	-88%
Total Equity	**6,180,787,522**	**4,784,363,987**	**29%**
TOTAL LIABILITIES AND EQUITY	**12,634,712,928**	**12,219,992,177**	**3%**

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

20% Decrease in Cash and Cash Equivalents
As of end 2021, cash and cash equivalents totaled ₱485 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash. Cash flow from operations generated ₱866 million, offset by ₱797 million net ouflows on investing activities and ₱192 million net outflows on financing activities.

29% Increase in Trade and Other Receivables
Trade and other receivables stood at ₱724 million as of year-end 2021 compared to ₱561 million in 2020. The increase is driven by the recognition of higher third-party trade receivables.

3% Decrease in Inventories
Inventories amounted to ₱433 million as of year-end 2021 compared to ₱445 million in 2020. The decrease is due to lower merchandise inventory due to higher sales in

December 2021 relative to December 2020.

42% Increase in Prepaid expenses and other current assets
Prepaid expenses and other current assets stood at ₱188 million as of year-end 2021 compared to ₱132 million in 2020. The increase is due to advanced payments to suppliers as part of supply chain management.

3% Decrease in Property and equipment
The decrease reflects the net movements on property, plant and equipment from depreciation, retirement and additions.

6% Decrease in Right-of-use asset
Right-of-use assets stood at ₱1.23 billion as of year-end 2021 compared to ₱1.31 billion in 2020.

29% Decrease in Deferred tax assets
The decrease is driven by the adjustment on previously recognized deferred tax assets as a result of the 2020 net operating loss carryover.

240% Increase in Rental and other non-current assets
The increase is driven by the increase in rental deposits and fund set aside for investments.

21% Increase in Accounts payable and other current liabilities
The slight increase is driven by normal timing differences in the settlement of trade payables.

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

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

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

27% Decrease in Accrued Pension Costs
Accrued pension costs stood at ₱96 million as of year-end 2021, a decrease from the ₱31 million in 2020 due to the re-assessment of the defined benefit obligation of the Company.

10% Increase in Capital stock
The increase in capital stock results from the issuance of 152,439,025 primary shares to JE Holdings, the Company's new strategic investor.

81% Increase in Additional paid-in capital
The increase in additional paid-in capital results from the issuance of 152,439,025 primary shares to JE Holdings, the Company's new strategic investor, at P8.20 per share.

5% Increase in Retained earnings

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

FINANCIAL POSITION
31 December 2020 vs. 31 December 2019

	31 Dec 2020	31 Dec 2019	Change
Cash and cash equivalents	**607,674,132**	507,701,190	20%
Trade and other receivables	**561,004,570**	709,483,495	-21%
Financial assets at FVOCI	**120,000,000**	120,000,000	0%
Inventories	**444,941,572**	477,127,376	-7%
Prepaid expenses and other current assets	**132,042,576**	123,970,333	7%
Property and equipment	**1,419,634,224**	1,615,292,163	-12%
Software	**233,331,243**	163,438,617	43%
Right-of-use asset	**1,311,464,060**	1,413,623,270	-7%
Goodwill	**1,264,082,949**	1,264,082,949	0%
Trademarks	**5,554,094,810**	5,549,307,154	0%
Deferred input value-added tax	**48,423,974**	67,963,872	-29%
Deferred tax assets	**350,172,528**	154,972,558	126%
Rental and other deposits	**173,125,540**	165,662,780	5%
TOTAL ASSETS	**12,219,992,177**	12,332,625,757	-1%
Accounts payable and other current liabilities	**801,171,872**	962,058,086	-17%
Short-term Loan	**1,050,000,000**	550,000,000	91%
Current portion of loan payable	**48,099,942**	48,120,934	0%
Current portion of unearned franchise fees	**16,020,186**	18,517,499	-13%
Lease Liability-Current	**211,544,249**	224,333,251	-6%
Income tax payable	**3,156,468**	82,626,816	-96%
Noncurrent portion of loan payable - net of current portion	**3,740,497,427**	3,788,597,369	-1%
Dealers' deposit and other non current liabilities	**41,240,550**	46,608,785	-12%
Unearned franchise fees	**73,600,393**	90,652,460	-19%
Lease liability	**1,319,058,770**	1,374,293,912	-4%
Accrued pension costs	**131,238,332**	78,310,299	68%
Total Liabilities	**7,435,628,189**	7,264,119,411	2%
Capital stock	**1,531,321,053**	1,531,321,053	0%
Additional paid-in capital	**1,353,554,797**	1,353,554,797	0%
Retained earnings	**1,964,168,269**	2,233,070,767	-12%
Other components of equity	**(64,680,132)**	(49,440,271)	31%
Total Equity	**4,784,363,987**	5,068,506,346	-6%
TOTAL LIABILITIES AND EQUITY	**12,219,992,177**	12,332,625,757	-1%

Shakey's Pizza Asia Ventures, Inc.'s total resources as of 31 December 2020 was at ₱12.21 billion, 1% lower than the 31 December 2019 level of ₱12.33 billion due to the following:

20% Increase in Cash and Cash Equivalents
As of end 2020, cash and cash equivalents totaled ₱608 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

21% Decrease in Trade and Other Receivables
Trade and other receivables stood at ₱561 million as of year-end 2020 compared to ₱709 million in 2019. The decrease is driven by the recognition of lower third party trade receivables.

7% Decrease in Inventories
Inventories amounted to ₱445 million as of year-end 2020 compared to ₱477 million in 2019. The decrease is due to lower merchandise inventory, particularly raw materials.

7% Increase in Prepaid expenses and other current assets
Prepaid expenses and other current assets stood at ₱132 million as of year-end 2020 compared to ₱124 million in 2019.

12% Decrease in Property and equipment
The decrease is mainly because of permanent store closures as a result of the COVID-19 pandemic.

43% Increase in Software
Software assets stood at ₱233 million as of year-end 2020 compared to ₱163 million in 2019.

7% Decrease in Right-of-use asset
Right-of-use assets stood at ₱1.31 billion as of year-end 2020 compared to ₱1.41 billion in 2019.

126% Increase in Deferred tax assets
The increase is driven by the recognition of income tax benefit as a result of net operating loss carryover.

17% Decrease in Accounts payable and other current liabilities
The decline is driven by the recognition of lower trade payables as a consequence of the COVID-19 pandemic.

91% Increase in Short-term loans payable
The increase in short-term loans payable is primarily used to support the Company's operations amidst the COVID-19 pandemic.

96% Decrease in Current lease liability
Current lease liability stood at ₱3.16 million as of year-end 2020 compared to ₱82.63 million in 2019.

12% Decrease in Retained earnings
The decrease in retained earnings is due to the recognition of consolidated net loss of ₱254 million.

RESULTS OF OPERATIONS
31 March 2023 vs. 31 March 2022

	31 Mar 2023	**31 Mar 2022**	**Change**
Revenues	3,131,556,570	1,610,091,419	94%
Cost of sales	(2,500,788,640)	(1,219,697,021)	105%
Gross income	**630,767,930**	**390,394,397**	**62%**
General and administrative expenses	(335,535,912)	(229,077,623)	46%
Interest expense	(83,929,178)	(62,712,235)	34%
Other income, net	12,033,075	3,833,631	214%
Income before income tax	**223,335,915**	**102,438,170**	**118%**

Provision for (benefit from) income tax	22,552,725	26,207,409	-14%
TOTAL COMPREHENSIVE INCOME	**200,783,190**	**76,230,761**	**163%**

Results of Operations for the period ended 31 March 2023 compared to the period ended 31 March 2022

94% Increase in Revenues
Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱3.13 billion in the first quarter of 2023, increasing by 94% from the reported net revenues of ₱1.81 billion in the first quarter of 2022. This was mainly driven by dine-in recovery due to the economic reopening and the group's store network expansion, boosted by the full quarter contribution of PC, which was integrated starting March 2022.

105% Increase in Costs of Sales
In the first quarter of 2023, consolidated cost of sales increased by 105% to ₱2.50 billion from ₱1.22 billion in the first quarter of 2022. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent and utilities.

62% Increase in Gross Income
Consolidated gross profit amounted to ₱631 million in the first quarter of 2023, higher by 62% from ₱390 million in the previous year. This yielded a gross profit margin of 20%.

46% Increase in General and Administrative Expenses
General and administrative expenses totaled ₱336 million, representing an 11% cost-to-sales ratio. This is lower compared to 14% during the same period in 2022.

34% Increase in Interest Expense
Interest expense of ₱84 million was recorded for the first quarter of 2023, 34% higher compared to the previous year's figure of ₱63 million. This was mainly driven by the full quarter contribution of the long-term loans payable acquired in the first quarter of 2022.

214*% Increase in Other Income*
Other income is composed mainly of other income from franchisees, service income, provisions and gains and losses from store retirement. Other income totaled ₱12 million in the first quarter of 2023. This is 214% higher than the ₱4 million reported in 2022 due to higher service income recorded in 2023.

163% Increase in Net Income
Overall, the robust topline, combined with efficient operations, led to a net income of ₱201 million in the first quarter of 2023, 163% higher than the same period the year before. PIZZA's net profit margin likewise expanded by 170 bps to 6.4%.

RESULTS OF OPERATIONS
31 December 2022 vs. 31 December 2021

	31 Dec 2022	**31 Dec 2021**	**Change**
Revenues	10,142,024,578	5,480,427,588	85%
Cost of sales	(7,546,508,401)	(4,206,711,163)	79%
Gross income	**2,595,516,177**	**1,273,716,425**	**104%**

General and administrative expenses	(1,222,810,270)	(837,345,396)	46%
Interest expense	(323,971,110)	(292,179,579)	11%
Other income, net	49,680,141	86,488,120	-43%
Income before income tax	**1,098,414,938**	**230,679,570**	**376%**
Provision for (benefit from) income tax	224,012,857	107,699,412	108%
Net income (loss)	**874,402,081**	**122,980,158**	**611%**
Total other comprehensive income	41,100,308	57,117,787	-28%
TOTAL COMPREHENSIVE INCOME	**915,502,389**	**180,097,945**	**408%**

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

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

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

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

46% Increase in General and Administrative Expenses
2022 consolidated general and administrative expenses totaled ₱1.22 billion, representing an 12% cost-to-sales ratio. This is lower compared to 15% during the same period in 2021.

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

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

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

RESULTS OF OPERATIONS
31 December 2021 vs. 31 December 2020

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

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

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

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

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

14% Decrease in General and Administrative Expenses
For the twelve months ending December 31, 2021, consolidated general and administrative expenses totaled ₱837 million, representing an 15% cost-to-sales ratio. This is lower compared to 18% during the same period in 2020.

12% Decrease in Interest Expense
Interest expense of ₱292 million was recorded for the twelve months ending December 31, 2021. This amount pertains to interest on the acquisition loan used to acquire the wholly-owned subsidiaries, as well as the ₱1.05 billion loan used to support operating activities that were negatively affected by the COVID-19 pandemic.

1,668% Increase in Other Income
Other income totaled ₱86 million as of year-end 2021. This is composed mainly of other income from franchisees, service income, provisions and loss from store retirement. This is an increase from the ₱5 million reported in 2020 which was impacted by the recognition of provisions and loss from store retirement.

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

RESULTS OF OPERATIONS
31 December 2020 vs. 31 December 2019

	31 Dec 2020	31 Dec 2019	Change
Revenues	5,296,771,546	8,239,093,787	-36%
Cost of Sales	4,364,157,309	5,827,018,168	-25%
Gross Income	932,614,237	2,412,075,619	-61%
General and Administrative Expenses	(972,712,600)	(1,051,602,075)	-8%
Interest Expense	(333,303,573)	(311,472,803)	7%
Interest Income	2,886,826	715,119	304%
Other Income - Net	2,003,935	58,591,814	-97%
Income Before Income Tax	(368,511,175)	1,108,307,674	-133%
Provision for (Benefit from) Income Tax	(114,921,887)	243,071,407	-147%
Net Income	(253,589,288)	865,236,267	-129%
Total Other Comprehensive Income	(15,239,861)	(66,367,927)	-77%
Total Comprehensive Income	(268,829,149)	798,868,340	-134%

Results of Operations for the year ended 31 December 2020 compared to the year ended 31 December 2019.

36% Decrease in Revenues
Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱5.30 billion, declining by 36% from reported revenues of ₱8.24 billion for the twelve months ending December 31, 2019.

25% Decrease in Costs of Sales
For the year ending 2020, consolidated cost of sales dropped by 25% from ₱5.83 billion in 2019 to ₱4.36 billion. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

61% Decrease in Gross Income
Consolidated gross profit amounted to ₱933 million for the full year 2020, lower by 61% from ₱2.41 billion in the previous year. This yielded a gross profit margin of 18% from 29% previously.

8% Decrease in General and Administrative Expenses
For the twelve months ending December 31, 2020, consolidated general and administrative expenses totaled ₱973 million, representing an 18% cost-to-sales ratio. This is higher compared to 13% during the same period in 2019.

7% Increase in Interest Expense
Interest expense of ₱333 million was recorded for the twelve months ending December 31, 2020. This amount pertains to interest on the ₱3.8 billion remaining of the acquisition loan used to acquire the wholly-owned subsidiaries, as well as the ₱1.05 billion loan used to support operating activities that were negatively affected by the COVID-19 pandemic.

97% Decrease in Other Income
Consolidated other income totaled ₱2 million as of year-end 2020. This is composed mainly of other income from franchisees, service income and loss from store retirement.

129% Decrease in Net Income
For the year ending 2020, consolidated net income after tax stood at negative ₱254 million, yielding a net income margin of negative 5%. This is a reversal from 2019's recorded net income after tax of ₱865 million.

FINANCIAL RATIOS

	31 Mar 2023	**31 Mar 2022**
Gross Profit Margin *Gross Profit / Net Revenue*	20.1%	24.2%
Before Tax Return on Sales *Net Profit Before Tax / Net Revenue*	7.1%	6.4%
Return on Equity *Net Income / Average Equity*	14.8%	3.1%
Net Gearing Ratio *(Interest-bearing liabilities – Cash) / Total Equity*	0.70x	0.85x
Current Ratio *Total Current Assets / Total Current Liabilities*	1.56x	1.22x

	31 Dec 2022	**31 Dec 2021**	**31 Dec 2020**
Gross Profit Margin *Gross Profit / Net Revenue*	25.6%	23.2%	17.6%
Before Tax Return on Sales *Net Profit Before Tax / Net Revenue*	10.8%	4.2%	-7.0%
Return on Equity *Net Income / Average Equity*	15.2%	2.2%	-5.1%
Net Gearing Ratio *(Interest-bearing liabilities – Cash) / Total Equity*	0.68x	0.53x	0.88x
Current Ratio *Total Current Assets / Total Current Liabilities*	1.37x	1.89x	0.88x

FINANCIAL STABILITY INDICATORS

	As at December 31, 2022	As at December 31, 2021
Net income	874,402,081	122,980,158
Total Assets	17,708,418,277	12,634,712,928
Return on Assets (Net income / Total Assets)	**4.9%**	**1.0%**
Net income	874,402,081	122,980,158
Average stockholders' equity	6,613,282,314	5,482,575,755
Return on Equity (Net Income / Stockholders' Equity)	**13.2%**	**2.2%**
Net income	874,402,081	122,980,158
Average No. of Shares	1,683,760,178	1,594,837,355
Earnings per share (Net income / Total no. of shares outstanding)	**0.52**	**0.08**
Total current assets	3,854,643,595	2,129,830,903
Total current liabilities	2,804,649,072	1,129,154,419
Current Ratio (Total Current assets / Total Current Liabilities)	**1.37**	**1.89**
Total current assets	3,854,643,595	2,129,830,903
Total current liabilities	2,804,649,072	1,129,154,419
Net working capital (Total Current Assets - Total Current Liabilities)	**1,049,994,523**	**1,000,676,484**
Total liabilties	10,662,641,171	6,453,925,406
Total Equity	7,045,777,106	6,180,787,522
Debt to equity ratio (Total Liabilities / Stockholders' Equity)	**1.51**	**1.04**
Depreciation	636,955,383	499,875,646
Net income (loss)	874,402,081	122,980,158
Net Income + depreciation expense	1,511,357,464	622,855,804
Short Term + long term liabilities	10,662,641,171	6,453,925,406
Solvency ratio (Net Income + Depreciation Expense / Short and Long Term Liabilities)	**0.14**	**0.10**
Total assets	17,708,418,277	12,634,712,928
Total Equity	7,045,777,106	6,180,787,522
Asset to equity ratio (Total assets / total equity)	**2.51**	**2.04**
Earnings before interest expense and income taxes (EBIT)	1,422,386,048	522,859,149
Interest expense	323,971,110	292,179,579
Interest coverage ratio (EBIT / Interest Expense)	**4.39**	**1.79**

MARKET INFORMATION

a) Market Information

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

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

Period	High	Low
1st Quarter of 2021	8.29	6.60
2nd Quarter of 2021	8.80	6.98
3rd Quarter of 2021	8.80	7.40
4th Quarter of 2021	11.20	7.65
January 1, 2021 to December 31, 2021	**11.20**	**6.60**
1st Quarter of 2022	10.28	7.75
2nd Quarter of 2022	8.70	6.70
3rd Quarter of 2022	8.20	6.90
4th Quarter of 2022	7.78	7.10
January 1, 2022 to December 31, 2022	**10.28**	**6.70**
January 1, 2023 to March 31, 2023	**8.70**	**7.26**

Source: Daily Quotation Reports of the Philippine Stock Exchange

The market capitalization of the Company's common shares as of end of 2022, based on the closing price of ₱7.65 per share was ₱12,880,765,362. The market capitalization of the Company's common shares as of March 31, 2023, based on the closing price of ₱8.21 per share was ₱13,823,671,061.

b) Holders

Total shares outstanding as of March 31, 2023, is 1,683,760,178 with a par value of ₱1.00.

The number of shareholders of record as of March 31, 2023, was 40. The shareholders as of the same date are as follows:

Name of Shareholder	Number of Shares	% Ownership
Century Pacific Group, Inc.	819,285,441	48.66%*
PCD Nominee Corp. (Non-Filipino)	427,800,634	25.40%
PCD Nominee Corp. (Filipino)	360,889,281	21.43%
Century Pacific Group, Inc.	40,000,000	2.37%
Ma. Luisa P. Lovina	13,766,511	0.81%
Leopoldo M. Prieto III	6,882,542	0.40%
Jamille P. Torres	3,706,257	0.22%
Panda Development Corporation	3,314,264	0.19%
Jamille M. P. Torres	3,176,285	0.18%
Ma. Consuelo P. Guerrero	2,923,808	0.17%
Ma. Pilar P. Lorenzo	2,923,808	0.17%
Ma. Cristina P. Moraza	2,923,808	0.17%
Carlos M. Prieto	2,923,808	0.17%

Name of Shareholder	Number of Shares	% Ownership
Eduardo M. Prieto	2,923,808	0.17%
Rosario Anne R. Prieto	2,811,823	0.16%
L.L.P. Enterprises, Inc.	2,808,968	0.16%
Ramon M. Prieto	2,760,093	0.16%
Ma. Ines P. Borromeo	1,943,056	0.11%
Ma. Teresa P. Rufino	1,514,170	0.09%
Ma. Teresa R. Prieto	1,297,653	0.07%
Python Rock Enterprises Inc.	11,100	-
Alma Bella Pil Alberastine	2,000	-
Percival Byron Salazar Bueser	2,000	-
Veronica Aguilar Pedrasa	2,000	-
Leopoldo H. Prieto, Jr.	1,427	-
Dondi Ron R. Limgenco	1,111	-
Christine F. Herrera	1,000	-
Gabrielle Claudia F. Herrera	1,000	-
John T. Lao	1,000	-
Teresa P. Marcelino	1,000	-
Celina F. Lucero	200	-
Roy Eduardo T. Lucero	200	-
Owen Nathaniel S Au ITF: Li Marcus Au	110	-
Victor Co and/or Alian Co	100	-
Shareholders' Association of the Philippines Inc.	100	-
Jesus San Luis Vanelcia	100	-
Gerardo L. Salgado	8	-
Joselito T. Bautista	1	-
Paulo L. Campos III	1	-
Botschaft N. Cheng or Sevilla Ngo	1	-
Fernan Victor P. Lukban	1	-

* Century Pacific Group, Inc. owns 836,445,141 shares of the Company in its own name and another 22,840,300 shares of the Company lodged under PCD Nominee Corp. (Filipino).

c) Dividends

Last June 20, 2022, the Company declared regular cash dividends amounting to PhP0.03 per share of common stock issued and outstanding to stockholders of record as of July 4, 2022. This amount represents the total cash declared and paid for on July 20, 2022.

There are no outstanding dividends payable as at December 31, 2022 and December 31, 2021.

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

The Company did not issue any stocks to its employees as of December 31, 2022.

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

CORPORATE GOVERNANCE

1. Evaluation System

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

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

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

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

SA – Strongly Agree
A – Agree
N – Neither Agree Nor Disagree
D – Disagree
SD – Strongly Disagree

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

2. Measures on leading Practices of Good Corporate Governance

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

3. Any Deviation from the Manual

As certified by the Compliance Officer, there was no material deviation in compliance with the Manual for the year 2022 and for the first quarter of 2023.

4. Improvement of the Corporate Governance

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

APPENDIX 1

2023 ANNUAL STOCKHOLDERS' MEETING OF
SHAKEY'S PIZZA ASIA VENTURES INC.

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

I. VOTING *IN ABSENTIA*

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

Stockholders as of May 2, 2023 (the "Stockholder/s") may register at the following web address: https://www.shakeyspizza.ph/investors/register. Registration shall be open from **May 25, 2023 to May 29, 2023.**

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

   A. For individual Stockholders:
      i. Email address
      ii. First and Last Name
      iii. Address
      iv. Mobile Number
      v. Current photograph of the Stockholder, with the face fully visible
      vi. Stock certificate number and number of shares held by the stockholder
      vii. Valid government-issued ID
      viii. For Stockholders with joint accounts: A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account

   B. For corporate/organizational Stockholders:
      i. Email address
      ii. Name of Stockholder
      iii. Address
      iv. Mobile Number
      v. Phone Number
      vi. Stock certificate number and number of shares held by the stockholder
      vii. Current photograph of the individual authorized to cast the vote for the account (the "Authorized Voter")
      viii. Valid government-issued ID of the Authorized Voter
      ix. A scanned copy of the Secretary's Certificate or other valid authorization in favor of the Authorized Voter

2. Registration shall be validated by the Office of the Corporate Secretary in coordination with the Stock Transfer Agent of the Corporation. Once the Stockholder has been successfully validated, a username and password shall be generated for the Stockholder, which shall be sent to the email address indicated by the Stockholder on the registration form.

3. The registered Stockholder may then proceed to log in on the voting website using the username and password provided and cast their votes. All items in the agenda for approval shall be shown one at a time and the registered Stockholder may vote Yes, No, or Abstain. The vote is considered cast for all the registered Stockholder's shares.

4. Once voting on all the agenda items is finished, the registered Stockholder shall be shown a summary of votes cast. The Stockholder can then proceed to submit the accomplished ballot by clicking the 'Submit' button. Before submission, the website will prompt the Stockholder to confirm the submission of the ballot.

APPENDIX 1

5. Voting shall be open from **June 1, 2023, 12:01 a.m. to June 7, 2023, 11:59 p.m.**

6. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia* together with the votes cast by proxy, and an independent third party will validate the results.

7. Stockholders who register and vote on the website for voting *in absentia* are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Corporation and by any other relevant third party for the purpose of electronic voting *in absentia* for the Annual Stockholders' Meeting and for all other purposes for which the Stockholder can cast his/her/its vote as a stockholder of the Corporation.

II. <u>PARTICIPATION VIA REMOTE COMMUNICATION</u>

1. Stockholders may attend the meeting on June 20, 2023 at 8:30 a.m. via the livestreaming link sent to the email address indicated by the Stockholder on the registration form. The livestream shall be broadcast via Zoom, which may be accessed either on the web browser or on the Zoom app. Those who wish to view thelivestream may join the stream anonymously.
2. For purposes of quorum, only the following Stockholders shall be counted as present:
   A. Stockholders who have registered and voted on the website for voting *in absentia* by May 29, 2023*;*
   B. Stockholders who have sent their proxies via the website by June 7, 2023.

Questions and comments on the items in the Agenda, Information Statement and Management Report may be sent through the voting website. Questions or comments received on or before June 7, 2023 may be responded to during the meeting. Any questions not answered during the meeting shall be answered via email.

Appendix 2

PDTC Report
As of March 31, 2023

PIZZA0000000 March 31, 2023

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

March 31, 2023

PIZZA0000000

BPNAME	QUANTITY
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	309,139,885
PHILIPPINE EQUITY PARTNERS, INC.	152,456,464
STANDARD CHARTERED BANK	83,579,600
CITIBANK N.A.	44,724,210
GOVERNMENT SERVICE INSURANCE SYSTEM	25,536,110
A & A SECURITIES, INC.	22,740,000
REGIS PARTNERS, INC.	20,951,685
PAPA SECURITIES CORPORATION	20,284,379
MANDARIN SECURITIES CORPORATION	14,425,711
FIRST METRO SECURITIES BROKERAGE CORP.	11,447,738
COL Financial Group, Inc.	10,721,759
BPI SECURITIES CORPORATION	10,403,429
S.J. ROXAS & CO., INC.	10,123,400
BDO SECURITIES CORPORATION	6,633,453
IGC SECURITIES INC.	6,198,600
TOWER SECURITIES, INC.	5,856,400
DEUTSCHE BANK MANILA-CLIENTS A/C	4,920,200
MAYBANK SECURITIES, INC.	3,887,302
UOB KAY HIAN SECURITIES (PHILS.), INC.	3,797,000
MBTC - TRUST BANKING GROUP	3,544,520
WEALTH SECURITIES, INC.	1,223,135
TRITON SECURITIES CORP.	1,064,100
PHILSTOCKS FINANCIAL INC	1,024,732
DAVID GO SECURITIES CORP.	882,400
SUMMIT SECURITIES, INC.	843,100
ABACUS SECURITIES CORPORATION	817,667
SB EQUITIES,INC.	800,400
A. T. DE CASTRO SECURITIES CORP.	676,800
AP SECURITIES INCORPORATED	617,000
EVERGREEN STOCK BROKERAGE & SEC., INC.	529,300
UNICAPITAL SECURITIES INC.	482,715
CAMPOS, LANUZA & COMPANY, INC.	365,100
DEUTSCHE BANK MANILA-CLIENTS A/C	352,609
CHINA BANK SECURITIES CORPORATION	346,200
QUALITY INVESTMENTS & SECURITIES CORPORATION	329,000
FIRST INTEGRATED CAPITAL SECURITIES, INC.	320,800
AB CAPITAL SECURITIES, INC.	308,400
RCBC SECURITIES, INC.	304,500
YAO & ZIALCITA, INC.	261,200
EAGLE EQUITIES, INC.	232,000
R. COYIUTO SECURITIES, INC.	231,100

EASTERN SECURITIES DEVELOPMENT CORPORATION	225,200
ALPHA SECURITIES CORP.	217,000
R. NUBLA SECURITIES, INC.	215,500
DIVERSIFIED SECURITIES, INC.	215,100
TANSENGCO & CO., INC.	213,000
SALISBURY SECURITIES CORPORATION	210,612
SOLAR SECURITIES, INC.	207,000
EQUITIWORLD SECURITIES, INC.	200,400
PAN ASIA SECURITIES CORP.	193,900
BANK OF COMMERCE - TRUST SERVICES GROUP	191,600
HDI SECURITIES, INC.	186,300
G.D. TAN & COMPANY, INC.	173,100
STANDARD SECURITIES CORPORATION	167,400
BERNAD SECURITIES, INC.	140,700
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	130,100
YU & COMPANY, INC.	**125,800**
VALUE QUEST SECURITIES CORPORATION	118,400
E. CHUA CHIACO SECURITIES, INC.	106,600
REGINA CAPITAL DEVELOPMENT CORPORATION	100,900
SECURITIES SPECIALISTS, INC.	99,600
NEW WORLD SECURITIES CO., INC.	97,100
ALAKOR SECURITIES CORPORATION	85,000
RTG & COMPANY, INC.	80,500
OPTIMUM SECURITIES CORPORATION	77,100
F. YAP SECURITIES, INC.	75,400
AURORA SECURITIES, INC.	67,600
ANSALDO, GODINEZ & CO., INC.	67,200
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	67,200
LANDBANK SECURITIES, INC.	66,500
BELSON SECURITIES, INC.	63,500
PNB TRUST BANKING GROUP	63,000
INVESTORS SECURITIES, INC,	58,900
PNB SECURITIES, INC.	57,500
GLOBALINKS SECURITIES & STOCKS, INC.	57,000
MERIDIAN SECURITIES, INC.	56,300
TIMSON SECURITIES, INC.	51,600
GOLDSTAR SECURITIES, INC.	48,400
INTRA-INVEST SECURITIES, INC.	45,800
CTS GLOBAL EQUITY GROUP, INC.	39,000
FIRST ORIENT SECURITIES, INC.	35,000
SunSecurities, Inc.	33,500
SARANGANI SECURITIES, INC.	32,600
ASIASEC EQUITIES, INC.	32,400
ASTRA SECURITIES CORPORATION	30,000
CUALOPING SECURITIES CORPORATION	30,000
UPCC SECURITIES CORP.	29,100
PREMIUM SECURITIES, INC.	29,000

APEX PHILIPPINES EQUITIES CORPORATION	28,000
CENTURY SECURITIES CORPORATION	27,000
DA MARKET SECURITIES, INC.	27,000
WESTLINK GLOBAL EQUITIES, INC.	26,600
JSG SECURITIES, INC.	26,000
AAA SOUTHEAST EQUITIES, INCORPORATED	23,800
VENTURE SECURITIES, INC.	22,300
JAKA SECURITIES CORP.	20,000
STRATEGIC EQUITIES CORP.	18,100
LOPEZ, LOCSIN, LEDESMA & CO., INC.	17,500
J.M. BARCELON & CO., INC.	16,300
LUYS SECURITIES COMPANY, INC.	16,200
MDR SECURITIES, INC.	15,800
DBP-DAIWA CAPITAL MARKETS PHILPPINES, INC.	15,000
PLATINUM SECURITIES, INC.	15,000
GUILD SECURITIES, INC.	13,400
EAST WEST CAPITAL CORPORATION	10,000
LARRGO SECURITIES CO., INC.	10,000
STERLING BANK OF ASIA TRUST GROUP	6,700
R. S. LIM & CO., INC.	6,000
LUCKY SECURITIES, INC.	5,000
MERCANTILE SECURITIES CORP.	5,000
FIDELITY SECURITIES, INC.	4,500
I. B. GIMENEZ SECURITIES, INC.	4,000
R & L INVESTMENTS, INC.	3,000
MOUNT PEAK SECURITIES, INC.	2,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	2,000
LUNA SECURITIES, INC.	2,000
H. E. BENNETT SECURITIES, INC.	2,000
BENJAMIN CO CA & CO., INC.	600
SINCERE SECURITIES CORPORATION	100
Total	788,689,915

Appendix 3

BDO Report
As of March 31, 2023

COMPANY NAME : SHAKEY`S PIZZA ASIA VENTURES INC.

LIST OF TOP 100 STOCKHOLDERS
As Of March 31, 2023

STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES (FULLY PAID)	OUTSTANDING & ISSUED SHARES PARTIALLY PAID	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
CENTURY PACIFIC GROUP, INC.	796,445,141	0	796,445,141	47.302
PCD NOMINEE CORP. (NON-FILIPINO)	427,800,634	0	427,800,634	25.407
PCD NOMINEE CORP. (FILIPINO)	360,889,281	0	360,889,281	21.434
CENTURY PACIFIC GROUP INC.	40,000,000	0	40,000,000	2.376
MA. LUISA P. LOVINA	13,766,511	0	13,766,511	0.818
LEOPOLDO M. PRIETO III	6,882,542	0	6,882,542	0.409
JAMILLE P. TORRES	3,706,257	0	3,706,257	0.220
PANDA DEVELOPMENT CORPORATION	3,314,264	0	3,314,264	0.197
JAMILLE M. P. TORRES	3,176,285	0	3,176,285	0.189
MA. CONSUELO P. GUERRERO	2,923,808	0	2,923,808	0.174
MA. PILAR P. LORENZO	2,923,808	0	2,923,808	0.174
MA. CRISTINA P. MORAZA	2,923,808	0	2,923,808	0.174
CARLOS M. PRIETO	2,923,808	0	2,923,808	0.174
EDUARDO M. PRIETO	2,923,808	0	2,923,808	0.174
ROSARIO ANNE R. PRIETO	2,811,823	0	2,811,823	0.167
L.L.P. ENTERPRISES, INC.	2,808,968	0	2,808,968	0.167
RAMON M. PRIETO	2,760,093	0	2,760,093	0.164
MA. INES P. BORROMEO	1,943,056	0	1,943,056	0.115
MA. TERESA P. RUFINO	1,514,170	0	1,514,170	0.090
MA. TERESA R. PRIETO	1,297,653	0	1,297,653	0.077
PYTHON ROCK ENTERPRISES INC	11,100	0	11,100	0.001
ALMA BELLA PIL ALBERASTINE	2,000	0	2,000	0.000
PERCIVAL BYRON SALAZAR BUESER	2,000	0	2,000	0.000
VERONICA AGUILAR PEDRASA	2,000	0	2,000	0.000
LEOPOLDO H. PRIETO, JR.	1,427	0	1,427	0.000
DONDI RON R. LIMGENCO	1,111	0	1,111	0.000
CHRISTINE F. HERRERA	1,000	0	1,000	0.000
GABRIELLE CLAUDIA F. HERRERA	1,000	0	1,000	0.000
JOHN T. LAO	1,000	0	1,000	0.000
TERESA P. MARCELINO	1,000	0	1,000	0.000
CELINA F. LUCERO	200	0	200	0.000
ROY EDUARDO T. LUCERO	200	0	200	0.000
OWEN NATHANIEL S AU ITF: LI MARCUS AU	110	0	110	0.000
VICTOR CO AND/OR ALIAN CO	100	0	100	0.000
SHAREHOLDERS` ASSOCIATION OF THE PHILIPPINES, INC.	100	0	100	0.000
JESUS SAN LUIS VALENCIA	100	0	100	0.000
GERARDO L. SALGADO	8	0	8	0.000
JOSELITO T. BAUTISTA	1	0	1	0.000
PAULO L. CAMPOS III	1	0	1	0.000
BOTSCHAFT N. CHENG OR SEVILA NGO	1	0	1	0.000
FERNAN VICTOR P. LUKBAN	1	0	1	0.000
GRAND TOTAL (41)	1,683,760,178	0	1,683,760,178	

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

Appendix 4

Certificate of Independent Director of Fernan Victor P. Lukban

REPUBLIC OF THE PHILIPPINES)
Pasig City) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of Shakey's Pizza Asia Ventures Inc. and have been its independent director since 2016.

2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position/ Relationship	Period of Service
Central Azucarera de Tarlac	Non-Executive Director	8.5 years
Century Pacific Food, Inc.	Independent Director	8.5 years
Arthaland Corporation	Director	2019 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Shakey's Pizza Asia Ventures Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Shakey's Pizza Asia Ventures Inc. and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Shakey's Pizza Asia Ventures Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this ________ day of APR 2 5 2023, at Pasig City.

FERNAN VICTOR P. LUKBAN
Affiant

Subscribed and sworn to before me this _______ day of APR 2 5 2023 at Pasig City, affiant personally appeared before me and exhibited to me his TIN ID with no. 112-212-739.

Doc. No. 111;
Page No. 24;
Book No. II;
Series of 2023.

RAQUEL MONIQUE L. LUNA
Appointment No. 213 (2022-2023)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2023
Attorney's Roll No. 78308
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 8979098; 01.04.23; Pasig City
IBP OR No. 254479; 12.28.22; RSM
Admitted to the Bar in 2022

Appendix 5

Certificate of Independent Director of Frances J. Yu

REPUBLIC OF THE PHILIPPINES)
Pasig City) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I have been an Independent Director of Shakey's Pizza Asia Ventures Inc. since August 16, 2018. I am a nominee for Independent Director for the period of 2023 to 2024.

2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Shakey's Pizza Asia Ventures Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Shakey's Pizza Asia Ventures Inc. and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Shakey's Pizza Asia Ventures Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this ________ day of APR 25 2023, at Pasig City.

FRANCES J. YU
Affiant

Subscribed and sworn to before me this _______ day of APR 25 2023 at Pasig City, affiant personally appeared before me and exhibited to me her TIN ID with no. 152-911-191.

Doc. No. 109;
Page No. 23;
Book No. II;
Series of 2023.

RAQUEL MONIQUE L. LUNA
Appointment No. 213 (2022-2023)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2023
Attorney's Roll No. 78308
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 8979098; 01.04.23; Pasig City
IBP OR No. 254479; 12.28.22; RSM
Admitted to the Bar in 2022

Appendix 6

Certificate of Independent Director of Paolo L. Campos III

REPUBLIC OF THE PHILIPPINES)
Pasig City) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of Shakey's Pizza Asia Ventures Inc. and have been its independent director since 2016.

2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Zalora Philippines	Executive Director	10 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Shakey's Pizza Asia Ventures Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Shakey's Pizza Asia Ventures Inc. and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Shakey's Pizza Asia Ventures Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this ________ day of APR 25 2023, at Pasig City.

PAULO L. CAMPOS III
Affiant

Subscribed and sworn to before me this _______ day of APR 25 2023 at Pasig City, affiant personally appeared before me and exhibited to me his TIN ID with no. 239-738-930.

Doc. No. 110;
Page No. 23;
Book No. II;
Series of 2023.

RAQUEL MONIQUE E. LUNA
Appointment No. 213 (2022-2023)
Notary Public for Pasig City, Pateros and San Juan
Until December 31, 2023
Attorney's Roll No. 78308
33rd Floor, The Orient Square
F. Ortigas Jr. Road, Ortigas Center, Pasig City
PTR Receipt No. 8979098; 01.04.23; Pasig City
IBP OR No. 254479; 12.28.22; RSM
Admitted to the Bar in 2022

Appendix 7

Audit Financial Statements
As of December 31, 2022

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	4	6	6	6

COMPANY NAME

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

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

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

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

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
43	May 3	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Manuel Del Barrio	mtdelbarrio@shakeys.biz	(02)8839-0011	-

CONTACT PERSON's ADDRESS

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

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

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

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Shakey's Pizza Asia Ventures Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, 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, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

Impairment Assessment of Goodwill and Trademarks

Under Philippine Accounting Standards 36, *Impairment of Assets*, the Group is required to annually test for impairment the amount of goodwill and trademarks with indefinite life. The Group's goodwill amounting ₱1,324.85 million and trademarks with indefinite life amounting to ₱8,759.35 million, are considered significant to the consolidated financial statements since these account for 57% of the Group's total consolidated assets. In addition, management's assessment requires significant judgment and is based on assumptions, specifically forecasted long-term revenue growth rate, operating expenses, gross margin and discount rate. These assumptions are also subject to higher level of estimation uncertainty depending on the current and future outlook on economic conditions.

The Group's disclosures about goodwill and trademarks with indefinite life are included in Notes 6 and 14 to the consolidated financial statements.

Audit response

We obtained an understanding of the Group's impairment assessment process and related controls. We involved our internal specialist in evaluating the methodologies and the assumptions used. These assumptions include forecasted long-term revenue growth rate, operating expenses, gross margin and discount rate. We compared the key assumptions used, such as forecasted long-term revenue growth rate, operating expenses and gross margin 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 disclosure 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.

Accounting for the Acquisition of the Potato Corner Business

On March 5, 2022, the Group acquired the Potato Corner business. This transaction is a key audit matter as the amounts involved are material to the consolidated financial statements and management judgment is required to determine whether the transactions has met the requirements of a business acquisition. The transaction also involves significant judgments and estimates in the identification and determination of the fair values of the assets and liabilities acquired, key inputs, such as revenue growth and discount rates related to the valuation of the trademark and the allocation of the purchase price to these assets and liabilities.

The Group disclosed the details of the acquisition of the business in Note 6 to the consolidated financial statements.

Audit response

We obtained and reviewed the related documents, including any arrangements entered into in connection with the transaction. We reviewed management's analysis and assessment of the transaction and reviewed the purchase price allocation prepared by the Group. We also involved our internal specialists in reviewing the valuation methodology and key inputs, such as revenue growth and discount rates related to the valuation of the trademark. We compared the revenue growth to the historical performance of the Potato Corner business and industry data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the disclosures in the notes to the consolidated financial statements.

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, 2022, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to date of this auditor's report, and the SEC Form 20 IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2022, which are expected to be made available to us after that date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 99857-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025
PTR No. 9566010, January 3, 2023, Makati City

April 13, 2023

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

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash (Notes 6, 8 and 31)	**₱989,578,790**	₱485,414,521
Trade and other receivables (Notes 6, 9, 18 and 31)	**1,133,066,392**	723,983,367
Financial assets at fair value through profit or loss (Notes 12, 31 and 32)	**–**	300,000,000
Inventories (Notes 6 and 10)	**1,001,114,060**	432,876,226
Prepaid expenses and other current assets (Notes 6 and 11)	**730,884,353**	187,556,789
Total Current Assets	**3,854,643,595**	2,129,830,903
Noncurrent Assets		
Property and equipment (Notes 6 and 13)	**1,764,723,405**	1,373,563,312
Intangible assets (Notes 6 and 14)	**10,339,886,416**	7,034,324,209
Right-of-use assets (Note 15)	**1,443,780,579**	1,231,516,139
Deferred input value-added tax	**9,653,323**	28,234,552
Deferred tax assets - net (Note 30)	**25,566,418**	247,956,292
Other noncurrent assets (Notes 6, 16, 31 and 32)	**270,164,541**	589,287,521
Total Noncurrent Assets	**13,853,774,682**	10,504,882,025
TOTAL ASSETS	**₱17,708,418,277**	₱12,634,712,928
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans payable (Notes 19 and 31)	**₱500,000,000**	₱–
Accounts payable and other current liabilities (Notes 6, 17, 18 and 31)	**2,132,213,295**	968,634,979
Current portion of:		
Long-term loans payable (Notes 20 and 31)	**47,932,514**	47,986,963
Contract liabilities (Note 22)	**13,445,337**	18,965,155
Lease liabilities (Note 15)	**58,902,122**	92,010,032
Income tax payable	**52,155,804**	1,557,290
Total Current Liabilities	**2,804,649,072**	1,129,154,419
Noncurrent Liabilities		
Noncurrent current portion of:		
Long-term loans payable (Notes 20 and 31)	**5,242,625,440**	3,692,570,991
Lease liabilities (Note 15)	**1,641,116,052**	1,388,726,488
Contract liabilities (Note 22)	**61,226,844**	63,232,658
Accrued pension costs (Note 27)	**86,599,794**	96,260,947
Dealers' deposits and other noncurrent liabilities (Note 32)	**146,635,403**	83,979,903
Deferred tax liabilities - net (Notes 6 and 30)	**679,788,566**	–
Total Noncurrent Liabilities	**7,857,992,099**	5,324,770,987
Total Liabilities	**10,662,641,171**	6,453,925,406
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)	**2,877,362,495**	2,053,473,219
Other components of equity (Note 27)	**33,537,963**	(7,562,345)
Total Equity	**7,045,777,106**	6,180,787,522
TOTAL LIABILITIES AND EQUITY	**₱17,708,418,277**	₱12,634,712,928

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2022	2021	2020
REVENUE FROM CONTRACTS WITH CUSTOMERS (Notes 18 and 22)	**₱10,142,024,578**	₱5,480,427,588	₱5,296,771,546
COST OF SALES (Notes 18 and 23)	**(7,546,508,401)**	(4,206,711,163)	(4,364,157,309)
GROSS INCOME	**2,595,516,177**	1,273,716,425	932,614,237
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	**(1,222,810,270)**	(837,345,396)	(972,712,600)
INTEREST EXPENSE (Note 28)	**(323,971,110)**	(292,179,579)	(333,303,573)
INTEREST INCOME (Note 8)	**504,742**	1,276,273	2,886,826
OTHER INCOME - NET (Note 29)	**49,175,399**	85,211,847	2,003,935
INCOME (LOSS) BEFORE INCOME TAX	**1,098,414,938**	230,679,570	(368,511,175)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 30)			
Current	**140,130,584**	24,222,135	73,691,665
Deferred	**83,882,273**	83,477,277	(188,613,552)
	224,012,857	107,699,412	(114,921,887)
NET INCOME (LOSS)	**874,402,081**	122,980,158	(253,589,288)
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods (net of tax) -			
Actuarial gain (loss) on defined benefit obligation (Note 27)	**54,741,546**	75,856,746	(21,826,279)
Tax effect (Note 27)	**(13,641,238)**	(18,738,959)	6,586,418
	41,100,308	57,117,787	(15,239,861)
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱915,502,389**	₱180,097,945	(₱268,829,149)
Basic/Diluted Earnings (Loss) Per Share (Note 35)	**₱0.52**	₱0.08	(₱0.17)

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, 2022 AND 2021

	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, 2022	**₱1,683,760,178**	**₱2,451,116,470**	**₱2,053,473,219**	**(₱7,562,345)**	**₱6,180,787,522**
Total comprehensive income	**–**	**–**	**874,402,081**	**41,100,308**	**915,502,389**
Cash dividends (Note 21)	**–**	**–**	**(50,512,805)**	**–**	**(50,512,805)**
Balances at December 31, 2022	**₱1,683,760,178**	**₱2,451,116,470**	**₱2,877,362,495**	**₱33,537,963**	**₱7,045,777,106**
Balances at January 1, 2021	₱1,531,321,053	₱1,353,554,797	₱1,964,168,269	(₱64,680,132)	₱4,784,363,987
Issuance of new shares (Note 21)	152,439,125	1,097,561,673	–	–	1,250,000,798
Total comprehensive income	–	–	122,980,158	57,117,787	180,097,945
Cash dividends (Note 21)	–	–	(33,675,208)	–	(33,675,208)
Balances at December 31, 2021	₱1,683,760,178	₱2,451,116,470	₱2,053,473,219	(₱7,562,345)	₱6,180,787,522
Balances at January 1, 2020	₱1,531,321,053	₱1,353,554,797	₱2,233,070,767	(₱49,440,271)	₱5,068,506,346
Total comprehensive loss	–	–	(253,589,288)	(15,239,861)	(268,829,149)
Cash dividends (Note 21)	–	–	(15,313,210)	–	(15,313,210)
Balances at December 31, 2020	₱1,531,321,053	₱1,353,554,797	₱1,964,168,269	(₱64,680,132)	₱4,784,363,987

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	**₱1,098,414,938**	₱230,679,570	(₱368,511,175)
Adjustments for:			
Depreciation and amortization (Note 26)	**636,955,383**	499,875,646	497,433,459
Interest expense (Note 28)	**323,971,110**	292,179,579	333,303,573
Provision for (reversal of) legal and other contingencies – net (Notes 29 and 34)	**11,394,323**	(1,353,452)	34,779,970
Movement in pension costs	**45,080,393**	40,879,361	31,101,754
Loss (gain) on:			
Disposal of property and equipment (Note 29)	**(67,336)**	121,143	18,749,687
Pre-terminations of leases (Note 15)	**(18,323,273)**	(10,529,566)	(14,584,239)
Disposal of inventories	**2,630,006**	12,250,140	(5,498,534)
Accretion income (Notes 16 and 29)	**(2,000,871)**	(3,023,323)	(4,243,006)
Interest income (Notes 8 and 29)	**(504,742)**	(1,276,273)	(2,886,826)
Unrealized foreign exchange loss (gain)	**(2,212,953)**	(247,925)	332,437
Fair value gain on financial assets at fair value through profit or loss (FVPL) (Note 29)	**(404,374)**	(1,949,288)	(589,306)
Gain on reversal of liabilities (Note 29)	**–**	(24,682,991)	–
Income before working capital changes	**2,094,932,604**	1,032,922,621	519,387,794
Decrease (increase) in:			
Trade and other receivables	**(409,083,025)**	(173,290,549)	148,478,925
Inventories	**(570,867,840)**	(184,794)	37,684,338
Prepaid expenses and other current assets	**(559,930,385)**	(11,085,299)	14,740,059
Deferred input value-added tax	**18,581,229**	20,189,422	19,539,898
Increase (decrease) in			
Accounts payable and other current liabilities	**1,128,018,038**	191,067,983	(195,597,433)
Contract liabilities (Note 36)	**(10,737,004)**	(11,172,587)	(23,430,428)
Cash generated from operations	**1,690,913,617**	1,048,446,797	520,803,153
Income taxes paid (including creditable withholding taxes)	**(72,929,249)**	(63,556,930)	(175,974,315)
Interest received	**504,742**	1,276,273	2,886,826
Net cash provided by operating activities	**1,618,489,110**	986,166,140	347,715,664
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired from business combination (Note 6)	**20,503,549**	–	–
Acquisition of:			
Property and equipment (Note 13)	**(710,050,093)**	(280,137,822)	(167,168,602)
Financial assets at FVPL (Note 12)		(300,000,000)	(120,000,000)
Trademark (Note 14)	**(405,000,000)**	(1,243,186)	–
Software (Note 14)	**(56,556,757)**	–	(85,158,730)
Franchise right (Note 14)	**(2,884,236)**	–	(4,964,977)
Subsidiaries (Note 6)	**(2,063,923,182)**	–	–
Proceeds from:			
Redemption of financial assets at FVPL (Note 32)	**300,404,374**	121,949,288	120,589,306
Disposal of property and equipment	**181,013**	123,547	10,455,402
Decrease (increase) in other noncurrent assets (Note 36)	**321,123,851**	(409,172,651)	(5,432,721)
Increase (decrease) in dealers' deposits and other noncurrent liabilities (Note 35)	**62,655,500**	42,739,353	(5,368,235)
Net cash used in investing activities	**(2,533,545,981)**	(825,741,471)	(257,048,557)

(Forward)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES (Note 35)			
Proceeds from availment of:			
Short-term loans (Note 19)	**₱500,000,000**	₱–	₱1,500,000,000
Long-term loans (Note 20)	**1,600,000,000**		
Issuance of capital stock (Note 21)		1,250,000,798	–
Payments of:			
Lease liabilities (Note 15)	**(360,864,550)**	(204,302,941)	(203,225,951)
Short-term loans (Note 19)	**–**	(1,050,000,000)	(1,000,000,000)
Interest	**(221,614,458)**	(194,954,854)	(221,822,567)
Dividends (Note 21)	**(50,512,805)**	(33,675,208)	(15,313,210)
Long-term loans (Note 20)	**(50,000,000)**	(50,000,000)	(50,000,000)
Net cash provided by (used in) financing activities	**1,417,008,187**	(282,932,205)	9,638,272
NET INCREASE (DECREASE) IN CASH	**501,951,316**	(122,507,536)	100,305,379
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**2,212,953**	247,925	(332,437)
CASH AT BEGINNING OF YEAR (Note 8)	**485,414,521**	607,674,132	507,701,190
CASH AT END OF YEAR (Note 8)	**₱989,578,790**	₱485,414,521	₱607,674,132

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 13, 2023.

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

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

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

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

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

Specifically, the Parent Company controls an investee if and only if the Parent Company has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

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

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

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

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

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

The 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%
Queensview International Limited (QIL)	Trademark	British Virgin Islands	100%
Shakey's International Limited (SIL)	Trademark	Hong Kong	100%
Shakey's Seacrest Incorporated (SSI)	Trademark	Philippines	100%
Shakey's Pizza Regional Foods Limited (SPRFL)	Trademark	Hong Kong	100%
Shakey's Pizza Commerce Inc. (SPCI)	Trading of goods	Philippines	100%
Wow Brand Holdings, Inc. (WBHI)	Restaurant business	Philippines	100%

3. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2022. 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 PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs* 2018-2020 Cycle
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Standards Issued but Not Yet Effective

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

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

Effective beginning on or after January 1, 2024

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

4. Summary of Significant Accounting and Financial Reporting Policies

The following is the summary of significant accounting policies applied in preparing the consolidated financial statements:

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of comprehensive income. It is then considered in the determination of goodwill or gain on bargain purchase.

Acquisitions that do not constitute businesses are recognized as asset acquisitions. In such cases, the acquirer shall identify and recognize the individual identifiable assets acquired and liabilities assumed. The costs shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction or event does not give rise to goodwill.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, is measured at fair value with the changes in fair value recognized in the consolidated statement of comprehensive income in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, 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 reassesses 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 re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of comprehensive income.

If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because the fair values to be assigned to the acquiree’s identifiable assets and liabilities can be determined only provisionally, the Group accounts for the combination using provisional values. Adjustments to those provisional values as a result of completing the initial accounting shall be made within twelve (12) months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date. Goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions in PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or the amount initially recognized less (when appropriate) cumulative amortization recognized in accordance with the requirements for revenue recognition.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs), to which the goodwill relates. When the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognized. When goodwill forms part of a CGU (group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting date, or;
- Cash unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting date, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and noncurrent liabilities, respectively.

Financial Instruments
Financial Assets
Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and FVPL.

The classification at initial recognition depends on the contractual cash flow characteristics of financial assets and the Group's business model for managing them. The initial measurement of financial assets, except for those classified as FVPL, includes the transaction cost. The exception is for trade receivables that do not contain a significant financing component. These are measured at the transaction price determined under PFRS 15, *Revenue*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

The Group has no financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) and financial assets at FVOCI with recycling of cumulative gains and losses (debt instrument) as at December 31, 2022 and 2021.

Financial Assets at Amortized Cost (Debt Instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at amortized cost are classified as current assets when the Group expects to realize the asset within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

As at December 31, 2022 and 2021, the Group's financial assets at amortized cost consist of cash, trade and other receivables and rental and other deposits included in "Rental deposits" in the consolidated statements of financial position (see Notes 8, 9 and 16).

Financial assets at FVPL. Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established. A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

As at December 31, 2021, the Group has investment in unit investment trust fund (UITF) classified as financial assets at FVPL (see Note 12).

Impairment. The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities
Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include short-term and long-term loans payable, accounts payable and other current liabilities (excluding statutory liabilities) (see Notes 17, 19 and 20), and dealers' deposits and other noncurrent liabilities.

The Group has no financial liabilities at FVPL and derivatives designated as hedging instruments in an effective hedge.

Subsequent Measurement. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest expense in the consolidated statements of comprehensive income.

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

Classification of Financial Instruments Between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

"Day 1" Difference
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not

observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Debt Issue Costs
Debt issue costs are deducted against long-term debt and are amortized over the terms of the related borrowings using the effective interest method.

Prepayment Option
If the 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.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value information is presented in Note 32.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to set-off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Cash
Cash includes cash on hand and in banks.

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

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

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

Property and Equipment
Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, amortization and any impairment in value. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the property and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are normally charged to net income in the consolidated statement of comprehensive income in the year such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

When each major repair and maintenance is performed, its cost is recognized in the carrying amount of the item of property and equipment as a replacement if the recognition criteria are satisfied. Such major repairs and maintenance is capitalized and amortized over the next major repairs and maintenance activity.

Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item of property and equipment is depreciated separately.

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 or term of the lease whichever is shorter
Furniture, fixtures and equipment	2-10
Machinery and equipment	2-3
Transportation equipment	2-7
Cost of shops 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.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in net income in the consolidated statement of comprehensive income in the year the asset is derecognized.

Fully depreciated assets are retained in the account until they are no longer used although no further depreciation is charged to current operations.

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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

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

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

Intangible assets with indefinite useful lives, such as goodwill and trademarks, are tested for impairment annually or more frequently if an indication of impairment exists either individually or at the CGU level. Such intangibles are not amortized. Intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

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

Impairment of Nonfinancial Assets

The Group assesses at each financial reporting date whether there is an indication that property and equipment, software, franchise right and right-of-use assets are impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value, less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each financial reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income. After such a reversal, the depreciation and amortization are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific nonfinancial assets:

Trademarks and Goodwill. Goodwill and trademarks are reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill and trademarks by assessing the recoverable amount of the CGU, to which the goodwill and trademarks relates. Where the recoverable amount of the cash-generating unit (or group of CGUs) is less than the carrying amount of the cash-generating unit (or group of CGUs) to which the goodwill and trademarks has been allocated, an impairment loss is recognized in the consolidated statement of comprehensive income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill and trademarks on December 31 of each year.

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.

Equity
Capital Stock. Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax.

Additional Paid-in Capital (APIC). APIC represents the amount paid in excess of the par value of the shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in APIC as a deduction from proceeds, net of tax.

Retained Earnings. Retained earnings represent accumulated earnings of the Group less dividends declared and any adjustments arising from application of new accounting standards, policies or correction of errors applied retrospectively.

Dividends on Capital Stock
Cash dividends on common shares are recognized as liability and deducted from retained earnings upon declaration by the BOD.

Stock dividends on common shares are measured based on the total par value of declared stock dividend. Stock dividends are deducted from retained earnings when the BOD's declaration is ratified by the shareholders.

Cash dividends are recognized as liability and deducted from equity when declared. Stock dividends are treated as transfers from retained earnings to paid-in capital. The Group may declare dividends only out of its unrestricted retained earnings.

Other Components of Equity. Other components of equity comprise items of income and expense, including reclassification adjustments and actuarial gains and losses on pensions that are not recognized in net income in the consolidated statement of comprehensive income as required or permitted by other PFRS.

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

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

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

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

Other franchise revenues consisting of royalty fees and various reimbursements from franchisees are recognized when earned.

Interest Income. Revenue is recognized point in time 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

Contract Assets. A contract asset is a conditional right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The Group has no contract assets as at December 31, 2022 and 2021.

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 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 between 2 to 25 years.

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

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

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

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

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

A lessee shall account for a lease modification as a separate lease if both:
- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

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

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

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

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

<u>Pension</u>
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 Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit obligation or asset
- Remeasurements of net defined benefit obligation or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as part of cost of sales and general and administrative expenses in the consolidated statements of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit obligation or asset is the change during the period in the net defined benefit obligation 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.

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 2022 and 2021 or 1%minimum corporate income tax (MCIT) rate in 2022 and 2021, 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.

Net Operating Loss Carryover (NOLCO). NOLCO is recognized in accordance with 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 2021 and 2022 can be carried over and claimed as a deduction from taxable income for the next five (5) consecutive taxable years immediately following the year of such loss.

MCIT. MCIT is calculated as 1% of gross income in 2022 and 2021 of any domestic and resident foreign corporation beginning the fourth taxable year immediately following the taxable year in which such corporation commenced its business operation. Any excess of the MCIT over the normal income tax shall be carried forward and credited against the normal income tax for three (3) immediately succeeding taxable year.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess MCIT over the RCIT and unused tax losses in the form of NOLCO, to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences, and the carryforward benefits from MCIT and NOLCO can be utilized.

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

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

Income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax 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 and service concession assets for each month amounting to ₱1.00 million or more. This is amortized over five (5) years or the life of the property, plant and equipment or service concession assets, whichever is shorter, in accordance with the Bureau of Internal Revenue (BIR) regulation.

Earnings (Loss) Per Share (EPS)
Basic EPS is computed based on weighted average number of issued and outstanding common shares during each year after giving retroactive effect to stock dividends declared during the year. Diluted EPS is computed as if the stock options were exercised as at the beginning of the year and as if the funds obtained from exercise were used to purchase common shares at the average market price during the year. Outstanding stock options will have a dilutive effect under the treasury stock method only when the fair value of the underlying common shares during the period exceeds the exercise price of the option. Where the outstanding stock options have no dilutive effect and the Group does not have any potential common share nor other instruments that may entitle the holder to common shares, diluted EPS is the same as basic EPS.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with representing a strategic business unit that offers different products. Financial information on business segments is presented in Note 7 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognized as interest expense.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefit is probable.

Events After the Reporting Period
Post year-end events that provide additional information about the Group's financial position at reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements, when material.

5. Significant Accounting Judgments, Estimates and Assumptions

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

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

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

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

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

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

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

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

As at December 31, 2022 and 2021, the Group's right-of-use assets amounted to ₱1,443.8 million and ₱1,231.5 million, respectively, and the Group's lease liabilities as at those dates amounted to ₱1,700.0 million and ₱1,480.7 million, respectively. In 2022, 2021 and 2020, the Group recognized amortization of right-of use assets amounting to ₱287.9 million, ₱155.8 million and ₱148.4 million, respectively. Interest expense on lease liabilities recognized amounted to ₱102.8 million, ₱89.1 million, ₱105.8 million, respectively (see Note 15).

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 a linked transactions and accounted as one business combination at the Group's consolidated financial statements.

<u>Estimates and Assumptions</u>
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, 2022 and 2021, the Group's lease liabilities amounted to ₱1,700.0 million and ₱1,480.7 million, respectively (see Note 15).

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

The fair values of financial assets and financial liabilities are disclosed in Note 32.

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

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

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

Other than the considerations on the impact of COVID-19 on macroeconomic factors used as inputs to the ECL calculation, 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 ₱622.9 million and ₱724.0 million as at December 31, 2022 and 2021, respectively (see Note 9). Allowance for ECL amounted to ₱9.3 million as of December 31, 2022 and ₱6.1 million as of December 31, 2021. Provision for ECL was recognized amounted to ₱3.1 million in 2022 and nil in 2021 and 2020.

The carrying value of rental and other deposits amounted to ₱254.5 million and ₱189.3 million as at December 31, 2022 and 2021, respectively (see Note 16). Allowance for unrecoverable rental and other deposits amounted to ₱3.3 million as at December 31, 2022 and 2020. No provision for unrecoverable deposits was recognized in 2022, 2021 and 2020 (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, changes in prices level or other causes such as the impact of COVID-19 pandemic. 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.

There was no provision for (reversal of) inventory obsolescence in 2022, 2021 and 2020. The carrying values of inventories amounted to ₱1,001.1 million as of December 31, 2022 and ₱432.9 million as of December 31, 2021, net of allowance for inventory obsolescence of ₱4.33 million as at December 31, 2022 and 2021 (see Note 10).

Determination of Impairment of Nonfinancial Assets. Impairment review is performed when certain impairment indicators are present. Management considered the impact of COVID-19 in its impairment assessment on the Group's property and equipment, software, franchise right and right-of-use assets and has identified the related lease pre-termination costs, if any.

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, 2022 and 2021. No impairment loss was recognized in 2022 and 2021. The carrying value the Group's nonfinancial assets is as follows:

	2022	2021
Property and equipment (see Note 13)	**₱1,764,723,405**	₱1,373,563,312
Software (see Note 14)	**249,428,715**	215,612,546
Franchise right (see Note 14)	**6,253,328**	4,078,374
Right-of-use assets (see Note 15)	**1,443,780,579**	1,231,516,139
	₱3,464,186,027	₱2,824,770,371

Recoverability of Goodwill and Trademarks with Indefinite Life. The Group performs recoverability testing annually or more frequently when there are indications of impairment for goodwill and trademarks with indefinite 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 life are allocated. Estimating the recoverable amount of the CGU involves significant assumptions about the future results of the business such as long-term revenue growth rate, operating expenses, gross margin and discount rate which were applied to cash flow forecasts. In addition, the assumptions are also subjected to a higher level of estimation uncertainty due to the current economic conditions which have been impacted by the COVID-19 pandemic. The cash flow forecasts were based on financial budgets approved by the BOD covering a five-year period.

The impairment on 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 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 Pizza Asia Ventures, International Businesses, Bake Master Inc., and Wow Brand Holdings, Inc. while a 2% perpetuity growth rate was used for the newly acquired Potato Corner as management deemed it to be the conservative approach similar to what they have used for business case.

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 discount rates applied to the cash flow projections range from 10.5% to 10.9% in 2022 and 2021.

The carrying amount of goodwill and trademarks with indefinite life are as follows:

	2022	2021
Goodwill (see Note 14)	**₱1,324,852,131**	₱1,264,082,949
Trademarks (see Note 14)	**8,759,352,242**	5,550,550,340
	₱10,084,204,373	₱6,814,633,289

The recoverable amount of the CGUs to which the goodwill and trademarks with indefinite lives are allocated is greater than its carrying amount. No impairment loss was recognized on goodwill and trademarks for the years ended December 31, 2022, 2021 and 2020

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 ₱86.6 million and ₱96.3 million as at December 31, 2022 and 2021, respectively, (see Note 27).

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

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

Further details about the assumptions used are provided in Note 27.

Recoverability of Deferred Tax Assets. The Group performs an annual evaluation of the realizability of deferred tax assets in determining the portion of deferred tax assets which should be recognized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following period. This forecast is based on the Group's past results and future expectations on revenue and expenses. The effect of COVID-19 pandemic on the macroeconomic factors are also used in developing the assumptions. The Group computes for deferred tax using the 25% corporate tax rate except for its subsidiaries BMI, SPCI and SSI which compute for deferred tax using the OSD effective tax rate of 15%.

Deferred tax assets recognized amounted to ₱153.5 million and ₱253.4 million as at December 31, 2022 and 2021, 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.

The Group recognized additions amounting ₱11.4 million in 2022 and reversal amounting to ₱1.4 million in 2021 for legal and other contingencies (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 a linked transactions and accounted as one business combination at the Group's consolidated financial statements.

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

In December 2022, the Group and the seller made amendments in the agreements dated March 5, 2022. As a result of the amendments, the value in exchange for the fair value of the net assets acquired related to the transaction amounted to ₱2,603.9 million. The purchase price consideration has been allocated based on relative fair values at date of acquisition. The fair value of the identifiable net assets acquired amounted to ₱2,540.0 million at date of acquisition. The current assets acquired composed of cash, receivables, prepayments, and inventories with fair values amounting to ₱20.5 million, ₱14.5 million, ₱0.9 million and ₱39.0 million, respectively at date of acquisition. The noncurrent assets acquired composed of property and equipment, security deposits, and trademarks with fair values amounting to ₱78.0 million, ₱42.0 million and ₱3,208.8 million, respectively at date of acquisition. The liabilities assumed composed of accounts payable and other current liabilities amounting to ₱61.5 million at date of acquisition. The carrying values of the assets and liabilities assumed is the same with its fair value at date of acquisition except for the trademarks with carrying amount of ₱2,467.4 million at date of acquisition. The purchase price allocation resulted to goodwill, trademarks and deferred tax liability amounting to ₱60.7 million, ₱3,208.8 million and ₱802.2 million, respectively.

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

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

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

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 subdealers for use of the Shakey's brand.
- Commissary sales comprise third party sales other than aforementioned activities.

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

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

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

EBITDA and EBITDA margin are non-PFRSs measures.

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

	Years Ended December 31		
	2022	2021	2020
Consolidated EBITDA	**₱2,058,836,689**	₱1,021,458,522	₱ 459,339,031
Depreciation and amortization (Note 26)	**(636,955,383)**	(499,875,646)	(497,433,459)
Benefit from (provision for) income tax (Note 30)	**(224,012,857)**	(107,699,412)	114,921,887
Interest expense (Note 28)	**(323,971,110)**	(292,179,579)	(333,303,573)
Interest income (Note 8)	**504,742**	1,276,273	2,886,826
Consolidated net income (loss)	**₱874,402,081**	₱122,980,158	(₱253,589,288)

<u>Business Segment Data</u>

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

	Restaurant			Franchise and Royalty Fees			Commissary and Others			Eliminations			Consolidated		
	2022	2021	2020	**2022**	2021	2020	**2022**	2021	2020	**2022**	2021	2020	**2022**	2021	2020
Revenue from contracts with customers	**₱12,009,059,163**	₱5,388,587,125	₱6,248,779,788	**₱723,803,089**	₱305,720,125	₱255,117,257	**₱517,245,262**	₱405,281,225	₱370,489,536	**(₱3,108,082,936)**	(₱619,160,887)	(₱1,577,615,035)	**₱10,142,024,578**	₱5,480,427,588	₱5,296,771,546
Net income (loss)	**₱752,854,428**	(₱143,550,674)	(₱292,343,354)	**₱579,770,208**	₱218,664,056	₱182,651,564	**₱54,355,160**	₱50,397,202	₱34,863,740	**(₱512,577,715)**	(₱2,530,426)	(₱178,761,238)	**₱874,402,081**	₱122,980,158	(₱253,589,288)
Interest expense	**312,287,074**	281,935,664	324,239,685	**3,642,826**	3,132,434	736,725	**8,041,210**	7,111,481	8,327,163	**–**	–	–	**323,971,110**	292,179,579	333,303,573
Interest income	**(271,268)**	(1,231,358)	(2,700,192)	**(5,781)**	(6,668)	(1,641)	**(227,693)**	(38,247)	(184,993)	**–**	–	–	**(504,742)**	(1,276,273)	(2,886,826)
Income tax	**64,817,471**	24,570,587	(197,578,504)	**145,017,283**	74,533,570	61,628,337	**14,178,103**	10,186,506	18,339,731	**–**	(1,591,251)	2,688,549	**224,012,857**	107,699,412	(114,921,887)
Depreciation and amortization	**603,231,555**	462,050,114	462,862,745	–	–	–	**32,569,233**	36,670,937	34,570,714	**1,154,595**	1,154,595	–	**636,955,383**	499,875,646	497,433,459
EBITDA	**=1,732,919,260**	₱623,774,333	₱294,480,380	**₱728,424,536**	₱296,323,392	₱245,014,985	**₱108,916,013**	₱104,327,879	₱95,916,355	**(₱511,423,120)**	(₱2,967,082)	(₱176,072,689)	**₱2,058,836,689**	₱1,021,458,522	₱459,339,031
EBITDA Margin													**20.3%**	18.6%	8.67%
Assets and Liabilities															
Operating assets	**₱20,178,457,308**	₱12,859,819,534	₱12,360,967,559	**₱3,566,668,451**	₱1,386,435,005	₱81,988,104	**₱703,041,886**	₱626,455,376	₱1,844,940,471	**(₱6,765,315,786)**	(₱2,485,953,280)	(₱2,418,076,485)	**₱17,682,851,859**	₱12,386,756,635	₱11,869,819,649
Deferred tax assets -net	**25,566,418**	248,857,614	347,966,523	**–**	–	–	**–**	454,384	5,152,962	**–**	(1,355,706)	(2,946,957)	**25,566,418**	247,956,293	350,172,528
Total assets	**₱20,204,023,726**	₱13,108,677,148	₱12,708,934,082	**₱3,566,668,451**	₱1,386,435,005	₱81,988,104	**₱703,041,886**	₱626,909,760	₱1,850,093,433	**(₱6,765,315,786)**	(=2,487,308,98₱)	(=2,421,023,44₱)	**₱17,708,418,277**	₱12,634,712,928	₱12,219,992,177
Operating liabilities	**₱9,266,733,516**	₱3,145,415,483	₱4,044,255,616	**₱463,038,268**	₱199,492,313	₱193,377,235	**₱231,468,528**	₱207,294,615	₱184,477,811	**(₱5,768,945,661)**	(₱838,834,959)	(₱775,079,841)	**=4,192,294,651**	₱2,713,367,452	₱3,647,030,821
Interest-bearing loans and borrowings	**5,790,557,954**	3,740,557,954	3,788,597,369	**–**	–	–	**–**	–	–	**–**	–	–	**5,790,557,954**	3,740,557,954	3,788,597,369
Deferred tax liabilities-net	**–**		–	**–**	–	–	**–**	–	–	**679,788,566**	–	–	**679,788,566**	–	–
Total liabilities	**₱15,057,291,470**	₱6,885,973,437	₱7,832,852,985	**₱463,038,268**	₱199,492,313	₱193,377,235	**₱231,468,528**	₱207,294,615	₱184,477,811	**(₱5,089,157,095)**	(₱838,834,959)	(₱775,079,841)	**₱10,662,641,171**	₱6,453,925,406	₱7,435,628,190

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 2022 and 2021.

As of December 31, 2022 and 2021, 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 2022, 2021 and 2020, of the consolidated assets and revenues, respectively, of the Group:

	Years Ended December 31		**Years Ended December 31**		
	Total Assets		**Revenue**		
	2022	2021	**2022**	2021	2020
Shakey's International Limited (SIL)	**0.01%**	0.00%	**0.03%**	0.07%	0.9%
Shakey's Pizza Regional Foods Limited (SPRFL)	**0.00%**	0.06%	**0.08%**	0.07%	0.09%
PC International Limited (PCIL)	**0.64%**	–	**1.29%**	–	–
Queensview International Limited (QIL)	**10%**	–	**0.00%**	–	–

8. Cash

	2022	2021
Cash on hand	**₱323,566,155**	₱153,112,015
Cash in banks	**666,012,635**	332,302,506
	₱989,578,790	₱485,414,521

Cash in banks earn interest at the respective bank deposit rates. Interest income on cash amounted to ₱0.5 million and ₱1.3 million or the years ended December 31, 2022, 2021 and 2020 respectively.

9. Trade and Other Receivables

	2022	2021
Trade:		
Franchisee	**₱379,564,504**	₱234,363,067
Third parties	**334,644,122**	203,929,298
Related parties (see Note 18)	**24,913,919**	25,928,331
Royalty receivable	**170,138,255**	85,992,882
Nontrade receivable from:		
National Advertising Fund (NAF)	**50,225,215**	35,583,471
Franchisees	**63,775,172**	52,442,190
Employees	**31,425,291**	18,854,882
Others	**87,645,560**	73,008,253
	1,142,332,038	730,102,374
Less allowance for ECL	**(9,265,646)**	(6,119,007)
	₱1,133,066,392	₱723,983,367

Below are the terms and conditions of the financial assets:

- Trade receivables are non-interest bearing and are normally collectible within 10 days.
- Royalty receivable is being collected from dealers on the 20th day of the following month.
- Receivable from pertains to reimbursable advertising andpromotion expenses from dealers which will be applied on future dealer remittances.
- Receivable from franchisees pertains to receivables for transactions other than sale of goods such as management fees, freight and gas expenses and are non-interest bearing and generally have 30 to 45 days' term.
- Receivables from employees, which represent mainly salary loan, are interest-free and are being collected through salary deduction for a period ranging from 6 months to 1 year.
- Other receivables consist mainly of receivables from cooperatives and freight charges which are non-interest bearing and generally have 30 to 45 days' term.
- For terms and conditions of related party receivables, refer to Note 18.

The movements of allowance for ECL are as follows:

	2022			2021		
	Trade and Others	**Receivables from Employees**	**Total**	Trade and Others	Receivables from Employees	Total
Balance at beginning of year	**₱4,873,440**	**₱1,245,567**	**₱6,119,007**	₱4,873,440	₱1,245,567	₱6,119,007
Provision (see Note 24)	**3,146,639**	**–**	**3,146,639**	–	–	–
Balance at year-end	**₱8,020,079**	**₱1,245,567**	**₱9,265,646**	₱4,873,440	₱1,245,567	₱6,119,007

For the years ended December 31, 2022, 2021 and 2020, the Group used the simplified provision matrix approach in estimating the ECL on trade and other receivables.

10. Inventories

	2022	2021
At cost:		
Finished goods	**₱10,117,799**	₱6,345,557
Raw materials - food	**43,882,543**	47,225,394
Raw materials - packaging	**7,973,034**	7,424,562
At NRV-		
Merchandise	**939,140,684**	371,880,713
	₱1,001,114,060	₱432,876,226

The cost of the merchandise inventories carried at NRV amounted to ₱943.5 million and ₱376.1 million as at December 31, 2022 and 2021, respectively.

The cost of merchandise and materials charged to cost of sales in the consolidated statements of comprehensive income amounted to ₱4,469.3 million in 2022 and ₱2,231.6 million in 2021 (see Note 23).

Allowance for inventory obsolescence amounted to ₱4.3 million as at December 31, 2022, 2021 and 2020.

No provision (reversal) for inventory obsolescence was recognized in 2022, 2021 and 2020.

11. **Prepaid Expenses and Other Current Assets**

	2022	2021
Advances to suppliers	**₱623,699,846**	₱79,635,553
Input VAT	**–**	19,052,627
Prepaid expenses	**58,823,884**	23,905,166
Prepaid taxes	**48,360,623**	64,963,443
	₱730,884,353	₱187,556,789

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**

Movements of this account are as follows:

	2022	2021
Cost:		
Balance at beginning of year	**₱300,000,000**	₱120,000,000
Additions	**–**	300,000,000
Redemption	**(300,000,000)**	(120,000,000)
Balance at end of year	**–**	300,000,000
Accumulated Unrealized Fair Value Change		
Balance at beginning of year	**–**	–
Fair value gain (see Note 29)	**404,374**	1,949,288
Redemption	**(404,374)**	(1,949,288)
Balance at end of year	**–**	–
Net carrying value	**₱–**	₱300,000,000

The Group’s investments in financial assets at FVPL consist of UITF, which have no holding period and are callable any time by the Issuer.

Fair value gain on financial assets at FVPL included in “Other income” in the consolidated financial statements amounted to ₱0.4 million in 2022 and ₱1.9 million in 2021 (see Note 29).

13. Property and Equipment

	Building	Leasehold Improvements (Note 6)	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, 2020	₱257,100,633	₱1,203,501,707	₱1,151,895,613	₱225,782,037	₱25,584,990	₱17,189,945	₱18,329,085	₱47,518,417	₱2,946,902,427
Additions	–	89,510,308	71,510,977	1,550,560	850,000	8,848,206	3,185,493	104,682,278	280,137,822
Disposals	–	(8,578,070)	(168,393)	(6,521,954)	–	–	–	–	(15,268,417)
Reclassification	7,840,386	13,877,556	–	–	–	–	–	(21,717,942)	–
Balance at December 31, 2021	**264,941,019**	**1,298,311,501**	**1,223,238,197**	**220,810,643**	**26,434,990**	**26,038,151**	**21,514,578**	**130,482,753**	**3,211,771,832**
Additions	**201,486**	**349,848,646**	**207,740,822**	**15,607,393**	**13,293,444**	**12,640,449**	**15,815,870**	**94,901,984**	**710,050,094**
Disposals	**(165,153)**	**(866,707)**	**(2,094,403)**	**–**	**(1,832,767)**	**–**	**–**	**–**	**(4,959,030)**
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**
Accumulated Depreciation									
Balance at December 31, 2020	47,879,657	686,340,678	643,780,347	105,247,302	16,218,412	10,594,280	17,207,528	–	1,527,268,204
Depreciation (see Notes 23, 24 and 26)	18,442,868	116,310,445	151,076,002	26,958,119	168,791	10,826,163	2,181,659	–	325,964,047
Disposals	–	(8,348,288)	(146,240)	(6,529,203)	–	–	–	–	(15,023,731)
Balance at December 31, 2021	**66,322,525**	**794,302,835**	**794,710,109**	**125,676,218**	**16,387,203**	**21,420,443**	**19,389,187**	**–**	**1,838,208,520**
Depreciation (see Notes 23, 24 and 26)	**17,039,423**	**116,176,728**	**144,751,454**	**18,519,486**	**4,575,404**	**9,802,475**	**5,528,346**	**–**	**316,393,316**
Disposals	**–**	**(83,333)**	**(789,726)**	**–**	**(1,589,286)**	**–**	**–**	**–**	**(2,462,345)**
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**
Net Book Value									
Balance at December 31, 2021	₱198,618,494	₱504,008,666	₱428,528,088	₱95,134,425	₱10,047,787	₱4,617,708	₱2,125,391	₱130,482,753	₱1,373,563,312
Balance at December 31, 2022	**₱181,615,402**	**₱736,897,210**	**₱490,212,779**	**₱92,222,332**	**₱18,522,346**	**₱7,455,682**	**₱12,412,915**	**₱225,384,737**	**₱1,764,723,405**

There are no idle assets as at December 31, 2022 and 2021. The Group has no property and equipment that are used as collateral for existing loans payable.

Net book value of property and equipment transferred to franchisees as part of the franchising agreement amounted to ₱4.6 million in 2022 and ₱6.9 million in 2021.

14. Intangible Assets

The Group's intangible assets consist of:

	2022	2021
Goodwill (see Note 6)	**₱1,324,852,131**	₱1,264,082,949
Trademarks (see Note 6)	**8,759,352,242**	5,550,550,340
Software	**249,428,715**	215,612,546
Franchise right	**6,253,328**	4,078,374
	₱10,339,886,416	₱7,034,324,209

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 pizza business was recognized and treated as acquisition of assets based on relevant accounting standards since such transaction did not qualify as an acquisition of a business.

In 2019, the Group acquired the Peri-Peri business from I-Foods, Inc. including the properties, assets and rights which are related to or are used in the said business. Such transaction was accounted for as an acquisition of a business and additional goodwill and trademarks amounting to ₱185.5 million and ₱562.2 million, respectively, were recorded as at the date of acquisition.

On August 24, 2020, the Group entered into a master franchise agreement for a consideration of ₱5.0 million ($0.1 million) with Supertea (Int) Pte. Ltd. (Supertea), whereby Supertea granted the Group the following:

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

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

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

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

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

	Software	Franchise Right
Cost		
Balance at December 31, 2020	₱263,318,449	₱4,964,977
Additions	–	–
Balance at December 31, 2021	263,318,449	4,964,977
Additions	**56,556,757**	**2,884,236**
Balance at December 31, 2022	**319,875,206**	**7,849,213**
Accumulated Amortization		
Balance at December 31, 2020	29,987,206	177,321

Amortization (see Note 25)	17,718,697	709,282
Balance at December 31, 2021	47,705,903	886,603
Amortization (see Note 25)	**22,740,588**	**709,282**
Balance at December 31, 2022	**70,446,491**	**1,595,885**
Net Book Value		
Balance at December 31, 2022	**₱249,428,715**	**₱6,253,328**
Balance at December 31, 2021	215,612,546	4,078,374

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:

	2022	2021
Cost		
Balance at beginning of year	**₱1,967,648,594**	₱1,808,953,814
Additions	**611,244,521**	221,482,193
Pre-terminations	**(202,078,421)**	(50,533,071)
Balance at end of year	**2,376,814,694**	1,979,902,936
Accumulated Amortization		
Balance at beginning of year	**736,132,455**	497,489,754
Amortization (see Notes 23, 24 and 26)	**287,944,102**	155,831,173
Lease concessions	**–**	117,008,801
Pre-terminations	**(91,042,442)**	(21,942,931)
Balance at end of year	**933,034,115**	748,386,797
Net Book Value	**₱1,443,780,579**	₱1,231,516,139

The rollforward analysis of lease liabilities follows:

	2022	2021
Balance at beginning of year	**₱1,480,736,519**	₱1,530,603,019
Additions	**610,225,027**	221,482,194
Interest expense (see Note 28)	**102,828,224**	89,082,753
Payments	**(360,864,550)**	(204,302,941)
Pre-terminations	**(130,225,864)**	(39,119,704)
Lease concessions	**(2,681,182)**	(117,008,801)
Balance at end of year	**1,700,018,174**	1,480,736,
Current portion of lease liabilities	**58,902,122**	92,010,032
Lease liabilities - net of current portion	**₱1,641,116,052**	₱1,388,726,488

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

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

	As at December 31, 2021		
	Fixed Payments	Variable Payments	Total
Fixed	₱146,034,622	₱–	₱146,034,622
Variable rent with minimum payment	67,074,019	60,932,766	128,006,785
Variable rent only	–	1,226,875	1,226,875
	₱213,108,641	₱62,159,641	₱275,268,282

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

	2022	2021
1 year	**₱352,714,066**	₱305,123,153
more than 1 years to 2 years	**305,708,932**	261,491,608
more than 2 years to 3 years	**269,378,506**	223,842,918
more than 3 years to 4 years	**246,411,328**	183,727,478
more than 5 years	**1,331,472,556**	1,282,603,145

Rent expense on short-term leases and leases of low-value assets amounted to ₱246.5 million, =88.0 million and ₱93.1 million for the years ended December 31, 2022, 2021 and 2020, respectively (see Notes 23 and 24).

16. Other Noncurrent Assets

	2022	2021
Rental deposits (net of allowance for unrecoverable deposits of ₱3.3 million in 2022 and 2021)	**₱270,164,541**	₱189,287,521
Advances to suppliers	–	400,000,000
	₱270,164,541	₱589,287,521

Advances to suppliers are the Group's initial payment for future investments such as acquisition of assets. These were realized in 2022.

The Group's rental deposits are refundable at the end of the lease term which range from 3 years to 15 years. Accordingly, rental deposits are discounted based on comparable rates for similar financial instruments with rates ranging from 1.08% to 4.95% for the years ended December 31, 2022, 2021 and 2020. The excess of the principal amount of the deposit over its fair value is accounted for as right-of-use asset and amortized over the lease term on a straight-line basis while interest on the deposit is accounted for using the effective interest rate method.

The Group uses a provision matrix to calculate ECLs for rental and other deposits. No provision was recognized in 2022, 2021 and 2020.

The accretion income from rental deposits amounted to ₱2.0 million, ₱3.0 million and ₱4.2 million in 2022, 2021 and 2020, respectively (see Note 29).

17. Accounts Payable and Other Current Liabilities

	2022	2021
Trade:		
Suppliers	**₱1,442,515,377**	₱483,151,890
Related parties (see Note 18)	**127,047,981**	61,264,356
Nontrade-		
Suppliers	**87,883,647**	106,073,835
Accrued expenses:		
Suppliers	**169,771,074**	127,941,624

(Forward)

	2022	2021
Utilities	**₱48,513,378**	₱29,544,774
Salaries and wages	**23,907,449**	24,646,206
Customers loyalty	**15,635,843**	20,994,474
Interest	**–**	7,656,566
Others	**1,536,472**	5,569,866
Others	**215,402,074**	101,791,388
	₱2,132,213,295	₱968,634,979

Below are the terms and conditions of the financial liabilities:

- Trade payables are non-interest bearing and are normally settled in 30 to 90 days' term.
- Nontrade payables consist mainly of reimbursable expenses to officers and employees, payable to contractors and employment agencies which are normally settled in 30 to 90 days' term.
- Accrued expenses, which consist mainly of accrual of rent expense of stores, utilities, employee benefits and incentives, freight, commissions and storage costs are normally settled in 30 to 90 days' term.
- Customers loyalty pertain to accumulated points which are generally applied to customer purchases within the next financial year. Revenue is recognized upon actual usage or expiration whichever comes first.
- Other payables are normally settled in 15 to 45 days' term.
- For terms and conditions of related party payables, refer to Note 17.

Other payables consist of the following:

	2022	2021
Customers' deposits	**₱79,152,364**	₱10,492,490
Provision (see Note 34)	**47,073,871**	35,679,548
Withholding tax payable	**36,709,532**	9,386,172
Output VAT	**18,251,158**	30,589,527
Retention payable	**12,712,780**	6,312,771
Fun certificates payable	**11,877,495**	6,452,560
Others	**9,624,874**	2,878,320
	₱215,402,074	₱101,791,388

18. Related Party Transactions

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

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

Material related party transactions (MRPT) 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, 2022 and 2021, the Group has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance Receivable (see Note 8)	Outstanding Balance Payable (see Note 16)	Terms	Conditions
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	**2022**	**₱8,489,353**	**₱3,082,080**	**₱–**	30-day; non-interest bearing	Unsecured; not impaired
		2021	**7,685,937**	2,389,537	–		
		2020	3,219,631		–		
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	-	-	–	30-day; non-interest bearing	Unsecured
		2021	-	-	-		
		2020	-	-	–		
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	**2022**	**17,898,896**	**9,693,410**	–	30-day; non-interest bearing	Unsecured; not impaired
		2021	17,510,534	14,349,478	–		
		2020	27,510,242				
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	**248,948,140**	**–**	**121,785.346**	30-day; non-interest bearing	Unsecured
		2021	130,969,714	–	51,919,361		
		2020	45,847,763	–			
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	**2022**	-	**2,778,786**	–	30-day; non-interest bearing	Unsecured; not impaired
		2021	99,814	2,778,786	–		
		2020	534,411				
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	-	–	**293,488**	30-day; non-interest bearing	Unsecured
		2021	1.392.369	–	293.488		
		2020	–				
Snow Mountain Dairy Corporation (SMDC)							
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	**–**	**–**	–	30-day; non-interest bearing	Unsecured
		2021	–	–	–		
		2020	**1,142,575**				

(Forward)

Category	Nature	Year	Amount/ Volume of transaction	Outstanding Balance Receivable (see Note 8)	Outstanding Balance Payable (see Note 16)	Terms	Conditions
Century Pacific Food Inc. (CPFI)							
Sales	Sale of goods at prices (normally on cost-plus basis) mutually agreed upon by both parties	**2022**	**₱20,536,620**	**₱9,359,643**	**₱–**	30-day; non-interest bearing	Unsecured; not impaired
		2021	22,184,403	6,410,531	–		
		2020	10,870,848				
Purchases	Purchase of raw materials and goods at agreed prices usually on a cost-plus basis	**2022**	**29,380,586**	**–**	**4,969,147**	30-day; non-interest bearing	Unsecured
		2021	19,680,597	–	9,051,507		
		2020	10,188,271				
		2022		**₱24,913,919**	**₱127,047,981**		
		2021		25,928,331	61,264,356		

Compensation of Key Management Personnel
The salaries and pension costs of key management personnel in 2022, 2021 and 2020 are as follows:

	2022	2021	2020
Salaries	**₱157,370,825**	₱147,128,102	₱130,971,613
Pension costs	**43,299,391**	50,828,697	42,533,969
	₱200,670,216	₱197,956,799	₱173,505,582

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

19. Short-term Loans Payable

	2022	2021
Balance at beginning of year	**₱–**	₱1,050,000,000
Additions	**500,000,000**	–
Payments	–	(1,050,000,000)
Balance at end of year	**₱500,000,000**	₱–

The Parent Company availed of several short-term loans amounting to ₱1,500.0 million with interest ranging from 3.50% to 5.50% annum in 2020.

In 2022, the Parent Company availed 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.

Interest expense pertaining to short-term loans amounting to ₱9.5 million, ₱30.9 million and ₱39.5 million was recognized for the years ended December 31, 2022, 2021 and 2020, respectively (see Note 28).

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 *paripassu* 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 for 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, 2022 and 2021, the balances of DSRA has been applied to the loan balance.

e. Prior to the assignment or transfer of any trade names, copyrights, trademarks, patents and other intellectual property rights or licenses currently held by the 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, 2022 and 2021, 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 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:

	2022	2021
BDO loan - principal	**₱3,697,986,963**	₱3,750,000,000
Less unamortized debt issue costs	**7,429,009**	9,442,046
BDO loan - net of unamortized debt issue costs	**3,690,557,954**	3,740,557,954
BPI loan	**1,600,000,000**	–
Less current portion of loan payable	**47,932,514**	47,986,963
Noncurrent portion	**₱5,242,625,440**	₱3,692,570,991

Interest expense amounting to ₱205.9 million, ₱166.4 million and ₱181.6 million were recognized for the years ended December 31, 2022, 2021 and 2020, 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 2022 and 2021.

Issued and outstanding

	2022		2021	
	No. of shares	**Amount**	No. of shares	Amount
Beginning of year	**1,683,760,178**	**₱1,683,760,178**	1,531,521,053	₱1,531,321,053
Additions	**–**	**–**	152,439,125	152,439,125
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
December 1, 2016	Registered and Listed Shares (Original Shares)	2,000,000,000	1,179,321,053	₱1.00
	Initial Public Offering (IPO)			
	Primary	2,000,000,000	104,000,000	11.26
	Secondary	2,000,000,000	202,000,000	11.26
	Over-allotment Option	2,000,000,000	46,000,000	11.26
August 6, 2021	Issuance	2,000,000,000	152,439,025	7.93
August 9, 2021	Issuance	2,000,000,000	100	8.20

The issued and outstanding shares as at December 31, 2022 and 2021 are held by 41 and 43 equity holders, respectively.

Retained Earnings

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

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

There are no outstanding dividends payable as at December 31, 2022 and 2021. Cash dividend declared and paid amounted to ₱50.5 million in 2022 and ₱33.7 million in 2021.

Undistributed earnings of the subsidiaries included in the Group's retained earnings amounting to ₱282.4 million and ₱231.2 million as at December 31, 2022 and 2021, respectively, are not available 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, 2022 and 2021, 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, 2022, 2021 and 2020:

	2022	2021	2020
Revenue source:			
Restaurant sales	**₱7,206,297,269**	₱3,856,896,913	₱3,829,454,422
Sale of goods	**2,535,590,654**	1,356,366,336	1,219,937,901
Royalty and franchise fees (see Note 33	**400,136,655**	267,164,339	247,379,223
	₱10,142,024,578	₱5,480,427,588	₱5,296,771,546

	2022	2021	2020
Timing of recognition:			
Goods transferred at a point in time	**₱10,123,187,575**	₱5,457,508,873	₱5,265,608,468
Services rendered over time	**18,837,003**	22,918,715	31,163,078
	₱10,142,024,578	₱5,480,427,588	₱5,296,771,546

Contract liabilities
Below are the details of contract liabilities as at December 31, 2022 and 2021:

	2022	2021
Initial franchise fee	**₱74,672,181**	₱82,197,813
Less current portion	**13,445,337**	18,965,155
Noncurrent portion	**₱61,226,844**	₱63,232,658

Movements of contract liabilities arising from initial franchise fees as at and for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Balance as at January 1	**₱82,197,813**	₱89,620,579
Amortization of initial franchise fees	**(18,837,004)**	(22,918,715)
Initial franchise fees received	**8,100,000**	11,746,128
Accretion of interest expense (see Note 27)	**3,211,372**	3,749,821
Balance as at December 31	**₱74,672,181**	₱82,197,813

As at December 31, 2022, 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	₱13,445,337	₱2,660,869	₱16,106,206
More than one year	61,226,844	5,200,211	66,427,055
	₱74,672,181	₱7,861,080	₱82,533,261

23. Cost of Sales

	2022	2021	2020
Inventory costs (see Note 10)	**₱4,469,334,367**	₱2,231,590,400	₱2,204,553,069
Salaries, wages and benefits	**854,700,420**	564,090,965	827,031,643
Depreciation and amortization (see Note 26)	**590,989,960**	464,894,144	453,025,380
Utilities	**436,806,339**	285,447,117	265,342,629
Outside services	**239,770,198**	113,920,696	109,040,201
Rent (see Note 15)	**246,132,289**	87,675,542	92,206,787
Delivery call fees	**176,298,984**	145,684,145	106,666,672
Supplies	**157,112,346**	86,613,779	86,344,075
Gas expenses	**133,789,783**	75,972,071	67,597,940

(Forward)

	2022	2021	2020
Repairs and maintenance	**₱57,686,408**	₱60,903,968	₱54,643,476
Card charges	**30,957,572**	15,829,245	17,982,948
Pension costs (see Note 27)	**21,322,594**	20,500,279	16,806,284
Seminar and training	**12,095,750**	942,877	634,622
Commissary costs	**4,822,778**	1,733,483	721,408
Dues and subscription	**4,005,890**	22,343,628	20,060,633
Others	**110,682,723**	28,568,824	41,499,542
	₱7,546,508,401	₱4,206,711,163	₱4,364,157,309

24. General and Administrative Expenses

	2022	2021	2020
Salaries, wages and benefits	**₱361,312,638**	₱241,493,636	₱330,577,851
Advertising and promotions	**283,890,781**	176,819,913	150,360,713
Outside services	**164,348,824**	95,298,364	130,858,533
Taxes and licenses	**98,087,732**	105,122,992	149,853,823
Transportation and travel	**47,674,426**	34,930,982	32,783,940
Depreciation and amortization (see Note 25)	**45,965,423**	34,981,502	44,408,079
Supplies	**34,735,283**	31,301,760	33,783,403
Pension costs (see Note 26)	**26,510,801**	32,379,082	25,343,893
Utilities	**19,878,150**	13,619,760	13,487,441
Start-up costs	**18,961,866**	2,064,058	1,245,117
Gas expenses	**15,207,420**	7,669,083	5,304,639
Senior citizen discount	**10,717,139**	2,794,443	–
Card charges	**6,438,226**	2,034,205	1,042,342
Insurance	**6,228,656**	4,852,364	7,756,866
Royalty	**4,358,479**	29,648,015	12,782,481
Professional fees	**3,929,849**	1,036,054	1,601,077
Repairs and maintenance	**3,472,341**	4,238,478	3,806,594
Provision for ECL (see Note 8)	**3,146,639**	–	–
Directors’ fees	**1,378,947**	1,249,123	1,371,930
Dues and subscriptions	**809,884**	515,344	565,143
Rent (see Note 14)	**368,136**	367,260	881,081
Others	**65,388,630**	14,928,978	24,897,654
	₱1,222,810,270	₱837,345,396	₱972,712,600

25. **Personnel Expenses**

	2022	2021	2020
Salaries, wages, bonuses and allowances:			
Cost of sales (see Note 23)	**₱834,621,934**	₱526,987,995	₱771,835,204
General and administrative expense (see Note 24)	**329,261,032**	227,555,296	317,237,561
SSS, Pag-ibig, Medicare and other contributions:			
Cost of sales (see Note 23)	**20,078,486**	37,102,970	55,196,439
General and administrative expense (see Note 24)	**28,915,874**	13,938,340	13,340,290
Pension costs:			
Cost of sales (see Notes 23 and 26)	**21,322,593**	20,500,279	16,806,284
General and administrative expense (see Notes 24 and 26)	**28,609,595**	32,379,082	25,343,893
	₱1,262,809,514	₱858,463,962	₱1,199,759,671

26. **Depreciation and Amortization**

	2022	2021	2020
Property and equipment:			
Cost of sales (see Note 23)	**₱372,179,083**	₱309,207,492	₱304,794,400
General and administrative expense (see Note 23)	**23,745,266**	16,409,002	28,827,053
Right-of-use assets:			
Cost of sales (see Note 23)	**218,810,877**	155,686,652	148,230,980
General and administrative expense (see Note 24)		144,521	137,600
Software -			
General and administrative expense (see Note 24)	**21,510,874**	17,718,697	15,266,105
Franchise right -			
General and administrative expense (see Note 24)	**709,283**	709,282	177,321
	₱636,955,383	₱499,875,646	₱497,433,459

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. Past service cost recognized as a result of the plan amendment amounted to ₱19.0 million for the year ended December 31, 2019.

The following tables summarize the components of net pension costs in the consolidated statements of comprehensive income in 2022 and 2021 and accrued pension costs in the consolidated statements of financial position as at December 31, 2022 and 2021. The latest actuarial valuation is as at December 31, 2022.

	2022	2021	2020
Pension costs:			
Current service cost	**₱40,276,683**	₱47,905,273	₱48,373,849
Net interest cost	**12,133,009**	5,704,427	3,954,215
Past service cost due to plan amendment	**–**	–	(10,177,887)
	₱52,409,692	₱53,609,700	₱42,150,177

	2022	2021
Accrued pension costs:		
Present value of benefit obligation (PVBO)	**₱242,014,435**	₱262,655,508
Fair value of plan assets (FVPA)	**(155,414,641)**	(166,394,561)
	₱86,599,794	₱96,260,947

Movements in the PVBO are as follows:

	2022	2021
Balance at beginning of year	**₱262,655,508**	₱297,527,903
Current service cost	**40,276,683**	47,905,273
Interest cost	**13,098,993**	11,270,636
Net actuarial loss (gain)	**(61,589,972)**	(82,084,789)
Benefits paid:		
From plan assets	**(12,426,777)**	(11,963,515)
Balance at end of year	**₱242,014,435**	₱262,655,508

Movements in the FVPA are as follows:

	2022	2021
Balance at beginning of year	**₱166,394,561**	₱166,289,571
Interest income	**8,295,283**	6,296,548
Contributions	**–**	12,000,000
Net actuarial gain (loss)	**–**	(5,588,630)
Remeasurement – plan asset	**(6,848,426)**	(639,413)
Benefits paid -		
From plan assets	**(12,426,777)**	(11,963,515)
Balance at end of year	**₱155,414,641**	₱166,394,561

Movements in the accrued pension costs (pension asset) are as follows:

	2022	2021
Balance at beginning of year	**₱96,260,947**	₱131,238,332
Pension costs	**45,080,393**	52,879,361
Contributions	**–**	(12,000,000)
Actuarial loss gain	**(54,741,546)**	(75,856,746)
Balance at end of year	**₱86,599,794**	₱96,260,947

Amount recognized in OCI are as follows:

	2022	2021	2020
Actuarial gain (loss) - PVBO	**₱61,589,972**	₱82,084,789	(₱23,528,245)
Actuarial gain (loss) - FVPA	**(6,848,426)**	(6,228,043)	1,701,966
Deferred income tax	**(13,641,238)**	(18,738,959)	6,586,418
	₱41,100,308	₱57,117,787	(₱15,239,861)

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

	2022	2021
Investments:		
Government securities	**₱100,425,675**	₱130,391,924
Stocks	**6,451,827**	18,587,019
Deposit in banks	**4,875**	6,379
Money market investment in trust funds	**29,257,033**	448,426
Other securities	**18,483,181**	16,042,396
Total investments	**154,622,591**	165,476,144
Other assets:		
Interest receivable	**683,671**	1,164,826
Receivable	**228,479**	–
Total other assets	**912,150**	1,164,826
Total assets	**155,534,741**	166,640,970
Less due to broker	**120,100**	246,409
Net asset value	**₱155,414,641**	₱166,394,561

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 to determine pension benefit obligations are as follows:

	2022	2021
Discount rates at beginning of year	**7.12%**	4.99%
Rate of compensation increase	**5.00%**	5.00%
Average future working years of service	**30**	25

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation assuming if all other assumptions were held constant:

	2022		2021	
	Increase (decrease)	**Amount**	Increase (decrease)	Amount
Discount rates	**0.50%**	**(₱6,243,145)**	0.50%	(₱15,619,039)
	(0.50%)	**8,221,974**	(0.50%)	20,451,805
Salary increase rate	**1.00%**	**17,086,849**	1.00%	44,227,023
	(1.00%)	**(11,418,866)**	(1.00%)	(29,383,618)

Shown below is the maturity profile of the undiscounted benefit payments as of December 31, 2022 and 2021:

	2022	2021
1 year and less	**₱21,268,123**	₱17,439,824
more than 1 years to 5 years	**5,858,556**	1,852,532
more than 5 years to 10 years	**92,368,558**	90,216,303
more than 10 years to 15 years	**136,461,424**	113,643,272
more than 15 years to 20 years	**415,338,387**	341,569,190
more than 20 years	**7,542,694,338**	6,117,941,026

The Group expects to contribute ₱57.86 million to the Fund in 2023.

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

28. Interest Expense

	2022	2021	2020
Long-term loan payables (see Note 19)	**₱205,879,581**	₱166,437,238	₱181,577,312
Lease liabilities (see Note 14)	**102,828,224**	89,082,753	105,789,642
Short-term loan payables (see Note 18)	**9,548,194**	30,896,730	39,481,097
Contract liabilities (see Note 21)	**3,642,826**	3,749,821	3,881,048
Debt issue cost	**2,067,486**	2,013,037	1,879,066
Others	**4,799**	–	695,408
	₱323,971,110	₱292,179,579	₱333,303,573

29. **Other Income (Charges) -** Net

	2022	2021	2020
Service fee and expired loyalty fund points	**₱19,689,335**	₱6,045,697	₱7,323,836
Gain (loss) on:			
Pre-termination of leases (see Note 15)	**18,323,273**	10,529,566	14,584,239
Disposal of inventories	**(2,630,006)**	(12,250,140)	5,498,534
Reversal of long outstanding liabilities	–	24,682,991	–
Recovery of receivables	–	23,210,194	–
Disposal of property and equipment	**67,336**	(121,143)	(18,749,687)
Net reversal (provisions for) legal and other contingencies (see Note 34)	**(11,394,323)**	1,353,452	(34,779,970)
Unrealized foreign exchange gain (loss)	**10,146,394**	247,925	(332,437)
Other income from franchisees	**7,040,034**	23,310,805	19,070,063
Accretion income from dealers' deposits (see Note 16)	**2,000,871**	3,023,323	4,243,006
Fair value gain on financial assets at FVPL (see Note 12)	**404,374**	1,949,288	589,306
Others - net	**5,528,111**	3,229,889	4,224,608
	₱49,175,399	₱85,211,847	₱2,003,935

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:

	2022	2021
Deferred tax assets:		
NOLCO	**₱21,072,622**	₱89,424,217
Accrued bonus and other expense	**2,011,581**	3,194,577
Unamortized past service cost	**818,647**	3,172,954
Lease liabilities	**618,357**	64,278,496
Accrued pension costs	**654,022**	24,245,537
Loyalty points	**406,176**	2,470,314
Difference in depreciation due to adoption of lease standard	–	36,447,503
Contract liabilities	–	5,391,146
Allowance for:		
Expected credit losses	–	1,228,669
Inventory obsolescence	–	1,064,150
Unrecoverable deposits	–	824,323
Unrealized profit	–	1,159,804
MCIT	–	20,545,761
	25,581,405	253,447,451
Deferred tax liabilities:		
Excess of fair value over cost of net identifiable assets acquired in business combination	–	2,515,511
Debt issuance cost	–	2,360,512
Unrealized foreign exchange gain	–	61,980
Pension asset	**14,987**	553,156
	14,987	5,491,159
	₱25,566,418	₱247,956,292

The details of the Group's net deferred tax liabilities as of December 31, 2022 are as follows:

	2022
Deferred tax assets:	
Lease liabilities	**₱59,025,906**
Difference in depreciation due to adoption of lease standard	**31,551,183**
Accrued pension costs	**20,841,349**
Contract liabilities	**6,543,943**
Accrued bonus and other expense	**4,543,819**
Unamortized past service cost	**1,855,309**
Allowance for:	
Inventory obsolescence	**1,064,150**
Expected credit losses	**1,228,669**
Unrecoverable deposits	**824,323**
Loyalty points	**407,102**
MCIT	**–**
	127,885,753

(Forward)

	2022
Deferred tax liabilities:	
Excess of fair value over cost of net identifiable assets acquired in business combination (see Note 6)	**₱805,565,467**
Debt issuance cost	**1,857,252**
Unrealized foreign exchange gain	**251,600**
	807,674,319
	(₱679,788,566)

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

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

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

Year Incurred	Availment Period	Amount	Applied in Previous Year/s	Expired	Applied in Current Year	Unapplied
2020	2021-2025	**569,472,013**	**203,932,152**	**₱–**	**303,544,146**	**₱61,995,715**
2022	2023-2025	**21,072,622**	**–**	**–**	**–**	**21,072,622**
		₱590,544,635	**₱203,932,152**	**₱–**	**₱303,544,146**	**₱83,068,337**

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**	**–**
		₱20,545,761	**₱–**	**₱–**	**₱20,545,761**	**₱–**

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

	2022	2021	2020
RCIT	**₱139,882,917**	₱16,918,486	₱61,554,768
MCIT	–	11,252,265	11,958,316
Final withholding taxes	**247,667**	298,948	178,581
	₱140,130,584	₱28,469,699	₱73,691,665

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:

	2022	2021	2020
Provision for (benefit from) income tax computed at statutory income tax rate of 25% in 2022 and 2021, and 30% in 2020	**₱274,603,734**	₱57,669,893	(₱110,553,353)
Tax effects of:			
Nondeductible expenses	**156,655,363**	17,963,800	32,816,355
Reversal of provision for claims and contingencies	–	(9,258,250)	–
Application of OSD	**(70,519,749)**	(8,131,888)	(39,329,484)
Nontaxable:			
Dividend income	**(127,547,786)**	–	–
Amortization of franchise fees	**(3,495,276)**	(3,302,588)	(5,974,147)
Interest accretion	**(93,627)**	(626,458)	(1,272,902)
Income subject to final tax:			
Interest income	**(373,587)**	(405,026)	(865,555)
Fair value gain on financial assets at FVPL	**(101,094)**	(461,346)	(176,792)
Provisions for legal and other contingencies	**–**	–	10,433,991
Other income subject to 25%	**(5,115,121)**	–	
Change in tax rate	**–**	54,251,275	–
Provision for (benefit from) income tax	**₱224,012,857**	₱107,699,412	(₱114,921,887)

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

- Imposition of improperly accumulated earnings tax (IAET) is repealed.

31. Financial Risks Management Objectives and Policies

The Group's principal financial instruments comprise cash, trade and other receivables and short-term and long-term loans payable. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as rental deposit, accounts payable and other current liabilities, and dealers' deposits arising directly from operations.

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

Credit Risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by trading only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The table below shows the maximum exposure to credit risk for the Group's financial assets, without taking account of any collateral and other credit enhancements:

	2022	2021
Cash*	**₱666,012,635**	₱332,302,506
Financial assets at FVPL	**–**	300,000,000
Trade and other receivables:	**1,142,332,038**	730,102,374
Rental and other deposits	**254,504,587**	189,287,521
Total credit risk exposure	**₱2,062,849,260**	₱1,551,692,401

**Excluding cash on hand.*

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

	2022					
	Neither Past Due	**Past Due but not Impaired**				
	nor Impaired	**1–180 Days**	**Over 181 days**	**Subtotal**	**Expected Credit Loss**	**Total**
Cash*	**₱666,012,635**	**₱**	**₱–**	**₱**	**₱–**	**₱666,012,635**
Trade and other receivables	**809,236,091**	**330,806,687**	**–**	**330,806,687**	**9,265,646**	**1,130,777,132**
Rental and other deposits	**189,287,521**		**65,217,066**	**65,217,066**		**254,504,587**
	₱1,664,536,247	**₱330,806,687**	**₱65,217,066**	**₱396,023,753**	**₱9,265,646**	**₱2,051,294,354**

**Excluding cash on hand.*

	2021					
	Neither Past Due	Past Due but not Impaired				
	nor Impaired	1–180 Days	Over 181 days	Subtotal	Expected Credit Loss	Total
Cash*	₱332,302,506	₱–	₱–	₱–	₱–	₱332,302,506
Financial assets at FVPL	300,000,000	–	–	–	–	300,000,000
Trade and other receivables	601,713,863	108,041,329	203,515,696	311,557,025	9,416,300	903,854,588
Rental and other deposits	–	–	189,287,521	189,287,521	3,297,293	192,584,814
	₱1,234,016,369	₱108,041,329	₱392,803,217	₱500,844,546	₱12,713,593	₱1,728,741,908

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:

	2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Cash*	**₱666,012,635**	**₱–**	**₱–**	**₱666,012,635**
Trade and other receivables:				
Trade receivables	**315,094,042**	**424,028,503**	**–**	**739,122,545**
Royalty receivable	**170,138,255**	**–**	**–**	**170,138,255**
Receivable from NAF	**–**	**–**	**50,225,215**	**50,225,215**
Receivable from franchisee	**–**	**–**	**63,775,172**	**63,775,172**
Receivable from employees	**–**	**–**	**17,710,252**	**17,710,252**
Other receivables	**87,645,560**	**–**	**–**	**87,645,560**
Rental and other deposits	–	–	**189,287,521**	**189,287,521**
	₱1,238,890,492	**₱424,028,503**	**₱320,998,160**	**₱1,983,917,155**

**Excluding cash on hand.*

	2021			
	Stage 1	Stage 2	Stage 3	Total
Cash*	₱332,302,506	₱–	₱–	₱332,302,506
Financial assets at FVPL	300,000,000	–	–	300,000,000
Trade and other receivables:				
Trade receivables	433,899,839	25,928,331	–	459,828,170
Royalty receivable	85,992,882	–	–	85,992,882
Receivable from NAF	–	–	35,583,471	35,583,471
Receivable from franchisee	–	–	52,442,190	52,442,190
Receivable from employees	–	–	17,609,315	17,609,315
Other receivables	72,527,339	–	–	72,527,339
Rental and other deposits	–	–	189,287,521	189,287,521
	₱1,224,722,566	₱25,928,331	₱294,922,497	₱1,545,573,394

**Excluding cash on hand.*

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

Liquidity Risk. Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of advances to related parties. The Group maintains sufficient cash to finance its operations.

The Group manages its liquidity risk by maintaining strength and quality on financial position where debt-to-equity ratio is at a manageable level. The Group also maintains a financial strategy that the scheduled debts are within the Group's ability to generate cash from its business operations.

The 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.

	2022					
	Due and Demandable	**< 90 Days**	**91–180 Days**	**181–365 Days**	**Over 365 Days**	**Total**
Cash	**₱989,578,790**	**₱–**	**₱–**	**₱–**	**₱–**	**₱989,578,790**
Trade and other receivables						
Trade	**424,028,503**	**74,099,759**	**240,994,283**	**–**	**7,640,101**	**746,762,646**
Royalty receivables	**170,138,255**	**–**		**–**	**–**	**170,138,255**
Receivable from NAF	**50,225,215**	**–**	**–**	**–**	**–**	**50,225,215**
Receivable from franchisees	**63,775,172**	**–**	**–**	**–**	**–**	**63,775,172**
Receivables from employees	**13,423,386**	**18,001,905**	**–**	**–**	**1,144,630**	**32,569,921**
Other receivables	**87,645,560**		**–**		**480,914**	**88,126,474**
Rental and other deposits	**189,287,521**	**–**	**–**	**–**	**65,217,066**	**254,504,587**
	1,988,102,402	**92,101,664**	**240,994,283**	**–**	**74,482,711**	**2,395,681,060**
Accounts payable and other current liabilities:						
Trade payables	**–**	**1,569,563,358**	**–**	**–**	**–**	**1,569,563,358**
Nontrade payables	**–**	**101,857,257**	**–**	**–**	**–**	**101,857,257**
Accrued expenses	**–**	**306,438,087**	**–**	**–**	**–**	**306,438,087**
Other payables*	**–**	**247,493,838**	**–**	**–**	**–**	**247,493,838**
Dealers' deposit and other noncurrent payables	**–**	**–**	**–**	**–**	**146,389,568**	**146,389,568**
Long-term loans payable**	**47,932,514**	**–**			**5,242,625,440**	**5,290,557,954**
	47,932,514	**2,225,352,540**	**–**	**–**	**5,389,015,008**	**7,662,300,062**
Liquidity gap	**₱1,940,169,888**	**(₱2,133,250,876)**	**₱240,994,284**	**₱–**	**(₱5,314,532,297)**	**(₱5,266,619,002)**

**Excluding statutory payables.*
***Including future interest payments.*

	2021					
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Cash	₱485,414,521	₱–	₱–	₱–	₱–	₱485,414,521
Financial assets at FVPL	300,000,000	–	–	–	–	300,000,000
Trade and other receivables						
Trade	348,263,898	97,449,797	14,114,475	–	4,392,526	464,220,696
Royalty receivables	85,992,882	–	–	–	–	85,992,882
Receivable from NAF	35,583,471	–	–	–	–	35,583,471
Receivable from franchisees	52,442,190	–	–	–	–	52,442,190
Receivables from employees	8,587,856	9,021,459	–	–	1,245,567	18,854,882
Other receivables	70,843,566	1,570,073	–	113,700	480,914	73,008,253
Rental and other deposits	189,287,521	–	–	–	192,584,814	381,872,335
	1,576,415,905	108,041,329	14,114,475	113,700	198,703,821	1,897,389,230
Accounts payable and other current liabilities:						
Trade payables	–	544,416,246	–	–	–	544,416,246
Nontrade payables	–	106,073,835	–	–	–	106,073,835
Accrued expenses	–	195,359,036	–	–	–	195,359,036
Other payables*	–	101,791,388	–	–	–	101,791,388
Dealers' deposit and other noncurrent payables	–	–	–	–	92,389,568	92,389,568
Long-term loans payable**	–	–	24,002,940	24,046,183	3,692,570,991	3,740,620,114
	–	947,640,505	24,002,940	24,046,183	3,784,960,559	4,780,650,187
Liquidity gap	₱1,576,415,905	(₱839,599,176)	(₱9,888,465)	(₱23,932,483)	(₱3,586,256,738)	(₱2,883,260,957)

**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:

	2022	2021
Total liabilities	**₱10,662,641,171**	₱6,453,925,406
Total equity	**7,045,777,106**	6,180,787,522
	1.51:1	1.04:1

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, 2022		
			Fair Value	
	Date of Valuation	**Carrying Value**	**Level 1 Quoted**	**Level 2 Significant Observable Input**
Assets for which fair values are disclosed -				
Rental deposits	**December 31, 2022**	**₱254,504,587**	**₱–**	**₱218,589,354**
		₱254,504,587	**₱–**	**₱ 218,589,354**
Liabilities for which fair values are disclosed:				
Long-term loans payable	**December 31, 2022**	**₱5,290,557,954**	**₱–**	**₱6,334,150,117**
Dealers' deposits	**December 31, 2022**	**160,080,740**	**–**	**130,017,749**
		₱ 5,450,638,694	**₱–**	**₱6,464,167,866**

		As at December 31, 2021		
			Fair Value	
	Date of Valuation	Carrying Value	Level 1 Quoted	Level 2 Significant Observable Input
Assets for which fair values are disclosed -				
Financial assets at FVPL	December 31, 2021	₱300,000,000	₱–	₱300,000,000
Rental deposits	December 31, 2021	189,287,521	–	162,575,604
		₱489,287,521	₱–	₱462,575,604
Liabilities for which fair values are disclosed:				
Long-term loans payable	December 31, 2021	₱3,740,557,954	₱–	₱4,478,403,943
Dealers' deposits	December 31, 2021	24,274,585	–	19,715,844
		₱3,764,832,539	₱–	₱4,498,119,787

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 3.62% to 6.14% as at December 31, 2022 and of 1.08% to 4.95% as at December 31, 2021.

Long-term loans Payable. The fair value of loan payable which was discounted using prevailing market rate of 4.29% and 2.57% as at December 31, 2022 and 2021, respectively, approximates the carrying value since these bear interest at current market rates. Fair value category is Level 2, significant observable inputs.

Dealers' Deposits. The fair values were obtained by discounting the instruments' expected cash flows using interest rates of 4.69% and 4.46% as at December 31, 2022 and 2021, respectively.

As at December 31, 2022 and 2021, 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 ₱400.1 million in 2022, ₱267.2 million in 2021 and 247.4 million in 2020 (see Note 22). Royalty receivables as at December 31, 2022 and 2021 amounted ₱170.1 million and ₱86.0 million, respectively (see Note 8).

34. Provisions

	2022	2021
Balance at beginning of year	**₱35,679,548**	₱37,033,000
Addition (see Note 29)	**12,653,061**	35,679,548
Reversal (see Note 29)	**(1,258,738)**	(37,033,000)
Balance at end of year	**₱47,073,871**	₱35,679,548

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

35. Earnings (Loss) per Share (EPS)

Basic earnings (loss) per share (EPS) is computed based on the weighted average number of issued and outstanding common shares during each year. Diluted EPS is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year. When there are no potential common shares or other instruments that may entitle the holder to common shares, diluted EPS, is the same as the basic EPS.

There are no dilutive financial instruments as of December 31, 2022 and 2021, hence, diluted EPS is the same as the basic EPS.

The Group’s EPS were computed as follows:

	2022	2021	2020
(a) Net income (loss)	**₱874,402,081**	₱122,980,158	(₱253,589,288)
(b) Weighted average number of shares outstanding	**1,683,760,178**	1,594,837,355	1,531,321,053
Basic/diluted EPS (a/b)	**₱0.52**	₱0.08	(₱0.17)

36. Notes to Consolidated Statements of Cash Flows

The following are the noncash activities for the years ended December 31, 2022 and 2021:

	2022			
	January 1	**Net cash flows**	**Noncash changes**	**December 31**
Rental and other noncurrent assets (a)	**₱589,287,521**	**(₱321,123,851)**	**₱2,000,871**	**₱270,164,541**
Long-term loans payable (b)	**3,740,557,954**	**1,550,000,000**	–	**5,290,557,954**
Contract liabilities (c)	**82,197,813**	**(10,737,004)**	**3,211,372**	**74,672,181**

	2021			
	January 1	Net cash flows	Noncash changes	December 31
Rental and other noncurrent assets (a)	₱173,125,540	(₱407,896,378)	₱8,265,603	₱589,287,521
Long-term loans payable (b)	3,788,597,369	(50,000,000)	1,960,585	3,740,557,954
Contract liabilities (c)	89,620,579	(11,172,587)	3,749,821	82,197,813

Details of the noncash changes are as follows:

(a) Pertains to accretion of interest expense and interest income on long-term rental deposits included in “Rental and other noncurrent assets” and long-term dealer’s deposits included in “Dealer’s deposits and other noncurrent liabilities”, respectively.

(b) Pertains to amortization of debt issuance cost during the year amounting to ₱2.1 million and ₱2.0 million in 2022 and 2021, respectively.

(c) Pertains to the accretion of the significant financing component of contract liabilities during the year amounting to ₱3.2 million and ₱3.7 million in 2022 and 2021, respectively.

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

	2022						
	January 1	**Additions**	**Proceeds**	**Payments**	**Interest expense**	**Other movements**	**December 31**
Lease liabilities*	**₱1,480,736,520**	**₱610,225,027**	**₱–**	**(₱360,864,550)**	**₱102,828,224**	**(₱132,907,047)**	**₱1,700,018,174**
Loans payable	**3,740,557,954**	**–**	**2,100,000,000**	**(50,000,000)**	**–**	**–**	**5,790,557,954**
Dividends	**–**	**50,512,806**	**–**	**(50,512,806)**	**–**	**–**	**–**
Accrued interest**	**7,656,566**	**–**	**–**	**(221,614,458)**	**323,971,110**	**(110,013,218)**	**–**
Total liabilities from financing activities	**₱5,228,951,040**	**₱660,737,833**	**₱2,100,000,000**	**(₱682,991,814)**	**₱426,799,334**	**(₱242,920,265)**	**₱7,490,576,128**

**Other movements pertain to the gain on lease concession and derecognition of lease liability*
***Other movements pertain to interest accretion for PFRS 15*

	2021						
	January 1	Additions	Proceeds	Payments	Interest expense	Other movements	December 31
Lease liabilities*	₱1,530,603,019	₱221,482,193	₱–	(₱204,302,941)	₱89,082,753	(₱156,128,505)	₱1,480,736,519
Loans payable	4,838,597,369	–	–	(1,100,000,000)	1,960,585	–	3,740,557,954
Dividends	–	33,675,208	–	(33,675,208)	–	–	–
Accrued interest**	5,225,000	–	–	(194,954,854)	291,583,953	(94,197,533)	7,656,566
Total liabilities from financing activities	₱6,374,425,388	₱255,157,401	₱–	(₱1,532,933,003)	₱382,627,291	(₱250,326,038)	₱5,228,951,039

**Other movements pertain to the gain on lease concession and derecognition of lease liability*
***Other movements pertain to interest accretion for PFRS 15*

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Shakey's Pizza Asia Ventures Inc. and ubsidiaries (the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, included in this Form 17-A, and have issued our report thereon dated April 13, 2023. 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 Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 99857-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025
PTR No. 9566010, January 3, 2023, Makati City

April 13, 2023

SHAKEY'S PIZZA ASIA VENTURES, INC.
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FORM 17-A, Item 7

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SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule A. Financial Assets
December 31, 2022

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
BDO Unibank, Inc.	-	-	-	404,374
	-	**-**	**-**	**404,374**

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, 2022

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)	431,120			-	-	431,120	-	431,120
Century Pacific Food Inc. (CPFI)	416,069	419,190	833,759	-		1,500	-	1,500
The Pacific Meat Company Inc. (PMCI)	4,066,709	3,537,602	4,968,309	-	-	2,636,001	-	2,636,001
Receivables from employees	987,797	369,306	580,299	-		776,804	-	776,804
	₱ 5,901,695	**₱ 4,326,098**	**₱ 6,382,367**	**-**	**₱ -**	**₱ 3,845,426**	**₱ -**	**₱ 3,845,426**

**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, 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
Shakey's Seacrest Inc. (SSI)	₱ 5,879,754	₱ 206,021,249	₱	₱ -	₱ 211,901,003	₱ -	₱ **211,901,003**
Shakey's International Ltd. (SIL)	52,790,520	5,507,132		-	58,297,652	-	**58,297,652**
Shakeys Pizza Commerce Inc (SPCI)	238,108,143	1,080,247,112	46,416,422	-	1,271,938,833	-	**1,271,938,833**
Bakemasters, Inc. (BMI)	12,306,080	21,731,874		-	34,037,954	-	**34,037,954**
Wow Brand Holdings, Inc. (WBHI)	220,027,500	709,984,054	403,192,568	-	526,818,986	-	**526,818,986**
	₱ 529,111,997	**₱ 2,023,491,422**	**₱ 449,608,990**	**₱ -**	**₱ 2,102,994,429**	**₱ -**	**₱ 2,102,994,429**

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule D. Intangible Assets - Other Assets
December 31, 2022

Description	Beginning Balance	Additions At Cost	Deductions: Charged to Costs and Expenses	Deductions: Charged to Other Accounts	Other Changes- Additions (Deductions)	Ending Balance
Trademarks	567,519,112	393,910,629	709,282	-	-	960,720,458
Softwares- net	209,503,848	7,603,510	21,510,874	-	-	195,596,485
	777,022,960	**401,514,140**	**22,220,156**	**-**	**-**	**1,156,316,943**

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule E. Long-Term Debt
December 31, 2022

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-	₱	₱	₱
BDO Unibank Inc.	3,700,000,000	50,000,000	3,650,000,000
Unamortized debt issue costs	(9,442,045)	(2,067,486)	(7,374,559)
Borrowings for working capital requirements			
Bank of the Philippine Islands (BPI)	2,100,000,000	500,000,000	1,600,000,000
	₱ 5,790,557,955	**₱ 547,932,514**	**₱ 5,242,625,441**

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule F. **Indebtedness to Related Parties (Long-Term Loans from Related Companies)**
December 31, 2022

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, 2022.		
	₱ -	₱ -

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule G. Guarantees of Securities of Other Issuers
December 31, 2022

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, 2022.				
		₱ -	₱ -	

SHAKEY'S PIZZA ASIA VENTURES, INC.
Schedule H. Capital Stock
December 31, 2022

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	-	1,288,848,698	3,943,838	390,967,642

-

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

	2022	2021
REVENUES FROM CONTRACTS WITH CUSTOMER	**8,567,883,241**	5,188,341,726
COSTS OF SALES	**(6,657,078,192)**	(4,061,801,935)
GROSS INCOME	**1,910,805,049**	**1,126,539,791**
GENERAL AND ADMINISTRATIVE EXPENSES	**(1,208,286,776)**	(760,051,218)
INTEREST EXPENSES	**(302,318,948)**	(279,002,224)
OTHER INCOME - Net	**553,579,009**	81,516,065
INCOME BEFORE INCOME TAX	**953,778,334**	**169,002,414**
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**35,442,406**	11,544,079
Deferred	**92,345,747**	77,260,917
	127,788,153	88,804,996
NET INCOME	**825,990,182**	80,197,418
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods (net of tax) -		
Actuarial loss on defined benefit obligation	**51,029,284**	71,325,950
Tax effect	**(12,757,321)**	(17,831,488)
TOTAL OTHER COMPREHENSIVE INCOME	**38,271,963**	53,494,462
TOTAL COMPREHENSIVE INCOME	**864,262,145**	133,691,880
Basic/Diluted Earnings Per Share	**0.52**	0.05

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

	2022	2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	**385,015,940**	309,829,604
Trade and other receivables	**2,425,371,829**	1,011,559,118
Financial assets at FVOCI	**-**	300,000,000
Inventories	**169,598,512**	376,316,432
Prepaid and other current assets	**616,296,572**	66,873,000
Total Current Assets	**3,596,282,853**	2,064,578,154
Noncurrent Assets		
Property and equipment - net	**1,020,358,176**	983,550,983
Intangible Assets	**1,170,290,552**	777,022,960
Right-of-use Assets	**911,570,203**	959,393,320
Investment in subsidiaries	**8,521,958,629**	6,458,035,448
Other noncurrent assets	**165,581,892**	556,069,120
Deferred input value-added tax	**8,015,159**	12,752,033
Deferred tax assets	**125,776,901**	230,879,969
Total Noncurrent Assets	**11,923,551,512**	9,977,703,833
TOTAL ASSETS	**15,519,834,365**	12,042,281,987

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	**1,545,322,511**	925,572,639
Current portion of lease liability	**58,482,418**	58,482,418
Current portion of loan payable	**547,932,514**	47,986,963
Current portion of contract liabilities	**13,445,337**	16,382,802
Income tax payable	**-**	-
Total Current Liabilities	**2,165,182,780**	1,048,424,822
Noncurrent Liabilities		
Loan payable - net of current portion	**5,242,625,440**	3,692,570,991
Contract liabilities - net of current portion	**47,959,133**	50,740,702
Accrued pension costs	**83,365,397**	94,231,021
Lease liability	**1,076,037,499**	1,128,055,173
Dealer's deposits and other noncurrent liabilities	**146,154,383**	83,498,884
Total Noncurrent Liabilities	**6,596,141,852**	5,049,096,771
Total Liabilities	**8,761,324,632**	6,097,521,593
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	**2,594,937,323**	1,819,459,947
Other components of equity	**28,695,762**	(9,576,201)
Total Equity	**6,758,509,733**	5,944,760,394
	15,519,834,366	12,042,281,987
	1	0

SHAKEY'S PIZZA ASIA VENTURES, INC.
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FORM 17-A, Item 7

Retained earnings, at December 31, 2021		**1,819,459,947**
Less:		
Deferred Tax Assets		204,827,113
Unappropriated retained earnings, as adjusted, as at December 31, 2021		**1,614,632,834**
Add (less):		
Net Income	825,990,181	
Changes in deferred tax assets	(101,746,870)	724,243,311
		2,338,876,145
Dividends declared during the year		(50,512,805)
Retained earnings available for additional dividend distribution as at December 31, 2022		**2,288,363,340**

SyCip Gorres Velayo & Co.
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INDEPENDENT AUDITOR'S REPORT 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 financial statements of Shakey's Pizza Asia Ventures Inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 13, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Christine G. Vallejo
Partner
CPA Certificate No. 99857
Tax Identification No. 206-384-906
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 99857-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-105-2022, November 7, 2022, valid until November 6, 2025
PTR No. 9566010, January 3, 2023, Makati City

April 13, 2023

SHAKEY'S PIZZA ASIA VENTURES, INC. AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS-FINANCIAL RATIOS

	As at December 31, 2022	As at December 31, 2021
Net income	874,402,081	122,980,158
Total Assets	17,708,418,277	12,634,712,928
Return on Assets (Net income / Total Assets)	**4.9%**	**1.0%**
Net income	874,402,081	122,980,158
Average stockholders' equity	6,613,282,314	5,482,575,755
Return on Equity (Net Income / Stockholders' Equity)	**13.2%**	**2.2%**
Net income	874,402,081	122,980,158
Average No. of Shares	1,683,760,178	1,594,837,355
Earnings per share (Net income / Total no. of shares outstanding)	**0.52**	**0.08**
Total current assets	3,854,643,595	2,129,830,903
Total current liabilities	2,804,649,072	1,129,154,419
Current Ratio (Total Current assets / Total Current Liabilities)	**1.37**	**1.89**
Total current assets	3,854,643,595	2,129,830,903
Total current liabilities	2,804,649,072	1,129,154,419
Net working capital (Total Current Assets - Total Current Liabilities)	**1,049,994,523**	**1,000,676,484**
Total liabilties	10,662,641,171	6,453,925,406
Total Equity	7,045,777,106	6,180,787,522
Debt to equity ratio (Total Liabilities / Stockholders' Equity)	**1.51**	**1.04**
Depreciation	636,955,383	499,875,646
Net income (loss)	874,402,081	122,980,158
Net Income + depreciation expense	1,511,357,464	622,855,804
Short Term + long term liabilities	10,662,641,171	6,453,925,406
Solvency ratio (Net Income + Depreciation / ST and LT Liabilities)	**0.14**	**0.10**
Total assets	17,708,418,277	12,634,712,928
Total Equity	7,045,777,106	6,180,787,522
Asset to equity ratio (Total assets / total equity)	**2.51**	**2.04**
Earnings before interest expense and income taxes (EBIT)	1,422,386,048	522,859,149
Interest expense	323,971,110	292,179,579
Interest coverage ratio (EBIT / Interest Expense)	**4.39**	**1.79**

Appendix 8

Interim Financial Statements As of March 31, 2023

SECURITIES AND EXCHANGE COMMISSION

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

1. For the quarterly period ended **March 31, 2023**

2. Commission identification number **54666**

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

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

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

6. Industry Classification Code: [ ] (SEC Use Only)

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

8. **(632) 867-7602**
   Issuer's telephone number, including area code

9. **N/A**
   Former name, former address and former fiscal year, if changed since last report

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

Title of each Class	**COMMON SHARES**
Number of shares of common stock outstanding	**1,683,760,178**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [ ] No []

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
    PHILIPPINE STOCK EXCHANGE; COMMON SHARES

12. Indicate by check mark whether the registrant:
    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
    Yes [ ] No []

    (b) has been subject to such filing requirements for the past NINEty (90) days.
    Yes [ ] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited interim consolidated financial statements of Shakey's Pizza Asia Ventures Inc., and its wholly owned subsidiaries Bakemasters, Inc., Shakey's International Limited, Shakey's Seacrest Incorporated, Shakey's Pizza Regional Foods Limited, Shakey's Pizza Commerce, Inc., and Wow Brand Holdings Inc. (collectively, the 'Company' or 'PIZZA') as of and for the period ended March 31, 2023 and the comparative period in 2022 is attached to this 17-Q report, comprising of the following:

1.1 Consolidated Balance Sheets as of March 31, 2023 and December 31, 2022
1.2 Consolidated Statement of Income for the period ended March 31, 2023 and March 31, 2022
1.3 Consolidated Statement of Cash Flows for the period ended March 31, 2023 and March 31, 2022
1.4 Consolidated Statement of Changes in Shareholder's Equity for the period ended March 31, 2023 and March 31, 2022
1.5 Notes to Consolidated Financial Statements for the period ended March 31, 2023

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations (Based on the unaudited consolidated financial statements for the period ended March 31, 2023)

Business Overview

Shakey's Pizza Asia Ventures Inc. (SPAVI) or PIZZA, is the market leader in chained pizza full service restaurant, chained full service restaurant, and chained kiosks with 66.3%, 28.6%, and 14.8% market shares, respectively, based on data from Euromonitor.

PIZZA has over 40 years of brand legacy in the Philippines. Originally an American brand established in 1954, Shakey's expanded into the Philippines in 1975, and has since become a household name to generations of Filipinos. PIZZA is a strong brand because of its unique products paired with excellent guest service. It is best known for its original thin crust pizza and iconic Chicken N' Mojos.

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

PIZZA is able to serve the A, B and upper C income classes through its various sales channels. PIZZA's dine-in segment caters mostly to families and friends who want an affordable upgrade from the usual fast-food dining. At the same time, PIZZA also reaches it guests through its delivery segment. With the shift of consumer trend towards safety and convenience, PIZZA ensures that it continues to operate well-designed, comfortable, clean and guest-oriented stores, operate an efficient delivery system for guests, and expand its online sales platform to align itself with current market and consumption trends.

PIZZA is accessible nationwide through various store formats. These formats differ in size ranging from 120 sqm to 400 sqm. Smaller stores tend to need lower capital investment. This allows PIZZA flexibility to serve the demand of a specific market, while still achieving the desired profitability.

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

Finally, PIZZA operates a simple business model that is cash generative and requires low upfront costs due to the simplicity of its products. This model enables high financial liquidity and an average payback period of 3 to 4 years. PIZZA also has a well-established franchised model with an industry-leading return on investment averaging 4 years.

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

Subsequently, on December 15, 2016, PIZZA successfully listed on the Main Board of the Philippine Stock Exchange (PSE) with a total of 1,531,321,053 common shares at ₱11.26 per share.

On June 1, 2019, PIZZA acquired Peri-Peri Charcoal Chicken, an emerging fast casual and full service restaurant brand in the Philippines. The acquisition includes assets and intellectual property relating to the Peri business, including its brand, trade name, and the various proprietary recipes used by the chain to make its trademark peri-peri chicken.

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

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

Results of Operations

The following table summarizes the reported key financial information for PIZZA for the THREE months ending March 31, 2023 and 2022, respectively:

In ₱ Mill	**THREE months ending March 31, 2023**	**THREE months ending March 31, 2022**	**Change YoY**
Systemwide sales	4,175	2,219	88%
Net Revenue	3,132	1,610	94%
Cost of Sales	(2,501)	(1,220)	105%

Gross Profit	631	390	62%
Operating Expense	(336)	(229)	46%
Operating Income	295	161	83%
EBITDA	457	293	56%
Net income before tax	223	102	118%
Net income after tax	201	76	163%
Margins			
Gross profit margin	20.1%	24.2%	-410 bps
Operating margin	10.0%	9.4%	-60 bps
Net income margin	6.4%	4.7%	+170 bps

Results of Operation

- Shakey's Pizza Asia Ventures Inc, the Philippines' leading fast casual restaurant chain and food service group, continued to post strong growth in both topline and bottom line for the first three months of 2023 versus the comparable period in 2022.

- PIZZA reports year-to-date systemwide sales (SWS) of ₱4.18 billion, up by 88% compared to the ₱2.22 billion reported during the same period in 2022. This was mainly driven by the resurgence in dine-in as mobility further improved in the country on a year-on-year basis as Omicron affected the country in the first quarter of last year, coupled with the full quarter impact of Potato Corner. Same-store sales growth (SSSG) registers at 29% for the period.

- Operating income lands at ₱295 million for the first quarter of 2023, up 83% versus last year's comparable period of ₱161 million. While gross margins declined on a year-on-year basis due to higher input costs, operating income margins only slightly decreased from 10.0% to 9.4% over the same period, primarily driven by cost optimization initiatives at the operating expenses level and streamlined discretionary spending.

- As a result, net income for the first quarter of 2023 registered at ₱201 million, 163% higher compared to the ₱76 million income in the same period the year before. PIZZA's net profit margin likewise expanded by 170 bps to 6.4%.

Financial Condition

The Company's financial stability and financial position as of March 31, 2023, is as follows:

- Cash and cash equivalents stood at ₱682 million. Cash used in operating activities amounted to ₱88 million, with net cash used in investing activities totaling ₱91 million and net cash used in financing activities amounting to ₱128 million.

- Current ratio increased to 1.6x as of March 31, 2023, relative to 2022's 1.4x. The cash conversion cycle decreased to 23 days from -14 days as of end 2022. Receivable and inventory days stood at 34 and 47 respectively, while accounts payable came in at 59 days.

- Net property, plant and equipment, amounted to ₱1.8 billion as of March 31, 2023. Capital expenditures for the first quarter of the year totaled ₱101 million.

- As of March 31, 2023, the Company had ₱5.8 billion in interest-bearing debt, unchanged from the year-end level.

- Net debt-to-equity ratio is measured at 1.3x as of March 31, 2023, slightly below the 1.4x figure as of year-end 2022. Considering only interest-bearing liabilities, the Company's net gearing ratio and net interest-bearing debt-to-EBITDA stood at 0.7x and 2.3x, respectively, as of March 31, 2023.

Key Performance Indicators (KPIs)

	Unaudited 1st Quarter 2023	Unaudited 1st Quarter 2022
Gross Profit Margin	20%	24%
Before Tax Return on Sales	7%	6%
Return on Sales	6%	-5%
Interest-Bearing Debt-to-Equity	0.7x	0.9x
Current Ratio	1.6x	1.2x

Notes:
1 Gross Profit margin = Gross Profit / Net Revenue
2 Before Tax Return on Sales = Net Profit Before Tax / Net Revenue
3 Return on Sales = Recurring Net Profit After Tax / Net Revenue
4 Interest-Bearing Debt-to-Equity = Loans Payable / Total Stockholders' Equity
5 Current Ratio = Total Current Assets / Total Current Liabilities

SIGNATURES

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

SHAKEY'S PIZZA ASIA VENTURES INC.

VICENTE L. GREGORIO
President and Chief Executive Officer
Date: May 5, 2023

MANUEL T. DEL BARRIO
Vice President and Chief Finance Officer
Date: May 5, 2023

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash	**₱682,129,783**	₱989,578,790
Trade and other receivables	**1,109,426,161**	1,133,066,392
Inventories	**1,155,571,468**	1,001,114,060
Prepaid expenses and other current assets	**486,425,712**	730,884,353
Total Current Assets	**3,433,553,124**	3,854,643,595
Noncurrent Assets		
Property and equipment	**1,782,980,396**	1,764,723,405
Intangible assets	**10,335,737,470**	10,339,886,416
Right-of-use assets	**1,376,856,224**	1,443,780,579
Deferred input value-added tax	**9,123,102**	9,653,323
Deferred tax assets- net	**73,682,477**	25,566,418
Other noncurrent assets	**267,069,249**	270,164,541
Total Noncurrent Assets	**13,845,448,916**	13,853,774,682
TOTAL ASSETS	**₱17,279,002,040**	₱17,708,418,277
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	**₱1,437,708,345**	₱2,132,213,294
Short-term loans payable	**500,000,000**	500,000,000
Current portion of:		
Lease Liabilities	**58,902,122**	58,902,122
Long-term loans payable	**47,932,514**	47,932,514
Contract liabilities	**13,445,337**	13,445,337
Income tax payable	**141,297,852**	52,155,804
Total Current Liabilities	**2,199,286,170**	2,804,649,071
Noncurrent Liabilities		
Noncurrent current portion of:		
Long-term loans payable	**5,242,625,440**	5,242,625,440
Lease liabilities	**1,597,164,626**	1,641,116,052
Contract liabilities	**61,848,177**	61,226,844
Accrued pension costs	**96,268,870**	86,599,794
Dealers' deposits and other noncurrent liabilities	**155,459,895**	146,635,403
Deferred tax liabilities – net	**679,788,566**	679,788,566
Total Noncurrent Liabilities	**7,833,155,574**	7,857,992,099
Total Liabilities	**10,032,441,744**	10,662,641,170
Equity		
Capital stock	**1,683,760,178**	1,683,760,178
Additional paid-in capital	**2,451,116,470**	2,451,116,470
Retained earnings	**3,078,145,685**	2,877,362,495
Other components of equity	**33,537,963**	33,537,963
Total Equity	**7,246,560,296**	7,045,777,106
TOTAL LIABILITIES AND EQUITY	**₱17,279,002,040**	₱17,708,418,277

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

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

	2023 (Unaudited)	2022 (Unaudited)
REVENUES		
Net sales	**₱3,023,781,869**	₱1,540,758,504
Royalty and franchise fees	**107,774,701**	69,332,915
	3,131,556,570	1,610,091,419
COSTS OF SALES	**(2,500,788,640)**	(1,219,697,021)
GROSS INCOME	**630,767,930**	390,394,397
GENERAL AND ADMINISTRATIVE EXPENSES	**(335,535,912)**	(229,077,623)
INTEREST EXPENSE	**(83,929,178)**	(62,712,235)
OTHER INCOME- net	**12,033,075**	3,833,631
INCOME BEFORE INCOME TAX	**223,335,915**	102,438,170
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**81,097,647**	5,967,015
Deferred	**(58,544,922)**	20,240,393
	22,552,725	26,207,409
TOTAL COMPREHENSIVE INCOME	**₱200,783,190**	76,230,761
Basic/Diluted Earnings Per Share	**₱0.12**	₱0.05

SHAKEY'S PIZZA ASIA VENTURES INC.
AND SUBSIDIARIES

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

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Other Components of Equity	Total
Balances at January 1, 2023	**₱1,683,760,178**	**₱2,451,116,470**	**₱2,877,362,495**	**₱33,537,963**	**₱7,045,777,106**
Total comprehensive income	**–**	–	**200,783,190**	–	**200,783,190**
Balances at March 31, 2023	**₱1,683,760,178**	**₱2,451,116,470**	**₱3,078,145,685**	**₱33,537,963**	**₱7,246,560,296**
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	–	–	76,230,761	–	76,230,761
Balances at March 31, 2022	₱1,683,760,178	₱2,451,116,470	₱2,129,703,980	(₱7,562,345)	₱6,257,018,283

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

	2023 (Unaudited)	2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱223,335,915**	₱102,438,170
Adjustments for:		
Depreciation and amortization	**149,987,039**	128,039,985
Interest expense	**83,929,178**	62,712,235
Increase in accrued pension costs	**13,916,230**	(555,658)
Interest income	**(78,862)**	(91,503)
Unrealized foreign exchange loss	**405,720**	2,201
Income before working capital changes	**471,495,220**	292,545,431
Decrease (increase) in:		
Trade and other receivables	**41,984,314**	(63,376,574)
Inventories	**(154,457,408)**	(42,269,326)
Prepaid expenses and other current assets	**257,282,140**	(51,351,588)
Decrease in:		
Accounts payable and other current liabilities	**(702,765,304)**	(3,252,119)
Contract liabilities	**621,334**	(942,441)
Net cash generated from operations	**(85,839,705)**	131,353,382
Income tax paid	**(2,060,837)**	–
Interest received	**78,862**	91,503
Net cash provided by operating activities	**(87,821,680)**	131,444,885
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Other noncurrent assets	**3,095,291**	(2,234,698,522)
Deferred input value added tax	**530,222**	29,262,050
Increase (decrease) in:		
Dealer's deposits and other noncurrent liabilities	**6,353,160**	(22,301,742)
Acquisition of property and equipment	**(101,319,674)**	(165,918,881)
Proceeds from redemption of financial assets at FVPL	**–**	300,000,000
Net cash used in investing activities	**(91,341,002)**	(2,093,657,096)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of long- term loan	**–**	1,600,000,000
Proceeds from availment of short- term loan	**–**	500,000,000
Payment of interest	**(60,956,249)**	(42,340,307)
Payment of lease liability	**(66,924,355)**	(49,710,867)
Net cash provided by financing activities	**(127,880,605)**	2,007,948,826
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(405,720)**	(2,201)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(307,449,007)**	45,734,414
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**989,578,790**	485,414,521
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱682,129,783**	₱531,148,935

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Corporate Information

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

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

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

Approval and Authorization for the Issuance of the Unaudited Interim Condensed Consolidated Financial Statements

The unaudited interim condensed consolidated financial statements were approved and authorized for issuance by the Parent Company's Board of Directors (BOD) on May 5, 2023.

2. Basis of Preparation and Consolidation and Statement of Compliance

Basis of Preparation

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

Statement of Compliance

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

Basis of Consolidation

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

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

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

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

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

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

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

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

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

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

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

	Principal Activities	Place of Incorporation	Percentage of Ownership (%)
Bakemasters, Inc. (BMI) [a]	Manufacturer of pizza dough and pastries	Philippines	100%
PC International Limited (PCIL)	Restaurant business	Singapore	100%
Queensview International Limited (QIL)	Trademark	British Virgin Islands	100%
Shakey's International Limited (SIL)	Trademark	Hong Kong	100%
Shakey's Seacrest Incorporated (SSI)	Trademark	Philippines	100%
Shakey's Pizza Regional Foods Limited (SPRFL)	Trademark	Hong Kong	100%
Shakey's Pizza Commerce Inc. (SPCI)	Trading of goods	Philippines	100%
Wow Brand Holdings, Inc. (WBHI)	Restaurant business	Philippines	100%

3. **Changes in Accounting Policies and Disclosures**

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

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

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

Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements whenthey become effective.

Effective beginning on or after January 1, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*

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

4. **Business Combinations**

Acquisition of Potato Corner (PC) Business
On March 5, 2022, the Group entered into various purchase agreements (the "Agreements") with Cinco Group for the assets and intellectual property related to the PC business. The acquisition alsoinvolved 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 wereconsidered a linked transactions and accounted as one business combination at the Group's consolidated financial statements.

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

In December 2022, the Group and the seller made amendments in the agreements dated March 5, 2022. The fair value of the identifiable net assets acquired amounted to ₱2,540.0 million at date of acquisition. The current assets acquired composed of cash, receivables, prepayments, and inventories with fair values amounting to ₱20.5 million, ₱14.5 million, ₱0.9

million and ₱39.0 million, respectively at date of acquisition. The noncurrent assets acquired composed of property and equipment, security deposits, and trademarks with fair values amounting to ₱78.0 million, ₱42.0 million and ₱3,208.8 million, respectively at date of acquisition. The liabilities assumed composed of accounts payable and other current liabilities amounting to ₱61.5 million at date of acquisition. The carrying values of the assets and liabilities assumed is the same with its fair value at date of acquisition except for the trademarks with carrying amount of ₱2,467.4 million at date of acquisition.

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

As of December 31, 2022, the fair values of the assets acquired assumed were finalized; no changesfrom 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 itscommon processes from its existing operations and contacts with suppliers and other partners to improve cost and efficiency. The goodwill is not deductible for tax purposes.

5. **Segment Information**

Segment information is prepared on the following bases:

Business Segments

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

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

Inter-segment Transactions

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

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

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

EBITDA and EBITDA margin are non-PFRS measures.

The following table shows the reconciliation of the consolidated EBITDA to consolidated net income for the nine months ended March 31, 2023 and 2022:

	March 31, 2023	March 31, 2022
Consolidated EBITDA	**₱457,173,270**	₱293,098,888
Depreciation and amortization	**(149,987,039)**	(128,039,985)
Provision for income tax	**(22,552,725)**	(26,207,409)
Interest expense	**(83,929,178)**	(62,712,235)
Interest income	**78,862**	91,503
Consolidated net income	**₱200,783,190**	₱76,230,761

6. Cash and Cash Equivalents

	March 31, 2023	December 31, 2022
Cash on hand	**₱122,185,371**	₱323,566,155
Cash in banks	**559,944,411**	666,012,635
	₱682,129,782	₱989,578,790

Cash in banks earn interest at the respective bank deposit rates. Interest income on cash and cash equivalents amounted to ₱0.1 million and ₱0.1 million for the three months ended March 31, 2023 and 2022, respectively.

7. Trade and Other Receivables

	March 31, 2023	December 31, 2022
Trade:		
Franchisee	**₱359,999,887**	₱379,564,504
Third parties	**313,519,646**	334,644,122
Related parties	**22,140,132**	24,913,919
Royalty receivable	**179,989,048**	170,138,255
Receivable from:		
Franchisees	**83,434,454**	63,775,172
National Advertising Fund (NAF)	**44,091,868**	50,225,215
Employees	**36,076,289**	31,425,291
Others	**79,440,483**	87,645,560
	1,118,691,807	1,142,332,038
Less allowance for doubtful account	**(9,265,646)**	(9,265,646)
	₱1,109,426,161	₱1,133,066,392

Below are the terms and conditions of the financial assets:

- Trade receivables are noninterest-bearing and are normally collectible within 10 days.
- Royalty receivable is being collected from dealers on the 20th day of the following month.
- Receivable from National Advertising Fund (NAF) pertains to reimbursable advertising and promotion expenses from dealers which will be applied on future dealer remittances.
- Receivable from franchisees pertains to receivables for transactions other than sale of goods such as management fees, freight and gas expenses and are non-interest bearing and generally have 30 to 45 days' term.
- Receivables from employees, which represent mainly salary loan, are interest-free and are being collected through salary deduction for a period ranging from 6 months to 1 year.

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

The movements of allowance for doubtful accounts are as follows:

	March 31, 2023			December 31, 2022		
	Trade and Others	**Receivables from Employees**	**Total**	Trade and Others	Receivables from Employees	Total
Balance at beginning of year	**₱8,020,079**	**₱1,245,567**	**₱9,265,646**	₱4,873,440	₱1,245,567	₱6,119,007
Provision	–	–	–	3,146,639	–	3,146,639
Balance at reporting date	**₱8,020,079**	**₱1,245,567**	**₱9,265,646**	₱8,020,079	₱1,245,567	₱9,265,646

8. **Inventories**

	March 31, 2023	December 31, 2022
At cost -		
Finished goods	**₱16,392,703**	₱10,117,799
At NRV:		
Merchandise	**1,106,665,839**	939,140,684
Raw materials - food	**26,930,737**	43,882,543
Raw materials - packaging	**5,582,189**	7,973,034
	₱1,155,571,468	₱1,001,114,060

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

9. **Prepaid Expenses and Other Current Assets**

	March 31, 2023	December 31, 2022
Advances to suppliers	**₱359,343,654**	₱623,699,846
Prepaid taxes	**65,720,199**	48,360,623
Prepaid expenses	**61,361,859**	58,823,884
	₱486,425,712	₱730,884,353

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

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

10. Property and Equipment

	Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Machinery and Equipment	Transportation Equipment	Cost of Shops and Maintenance Tools	Glassware and Utensils	Construction in-progress	Total
Cost									
Balance at December 31, 2021	₱264,941,019	₱1,298,311,501	₱1,223,238,197	₱220,810,643	₱26,434,990	₱26,038,151	₱21,514,578	₱130,482,753	₱3,211,771,832
Additions	201,486	349,848,646	207,740,822	15,607,393	13,293,444	12,640,449	15,815,870	94,901,984	710,050,094
Disposals	(165,153)	(866,707)	(2,094,403)	–	(1,832,767)	–	–	–	(4,959,030)
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	**–**	**39,097,128**	**53,459,070**	**1,303,316**	**2,420,000**	**2,763,734**	**66,167**	**2,210,258**	**101,319,674**
Disposals	**–**	**–**	**(1,941,446)**	**–**	**–**	**–**	**–**	**–**	**(1,941,446)**
Balance at March 31, 2023	**₱264,977,352**	**₱1,686,390,568**	**₱1,480,402,241**	**₱237,721,352**	**₱40,315,667**	**₱41,442,334**	**₱37,396,615**	**₱227,594,995**	**₱4,016,241,124**
Accumulated Depreciation									
Balance at December 31, 2021	66,322,525	794,302,835	794,710,109	125,676,218	16,387,203	21,420,443	19,389,187	–	1,838,208,520
Depreciation	17,039,423	116,176,728	144,751,454	18,519,486	4,575,404	9,802,475	5,528,346	–	316,393,316
Disposals	–	(83,333)	(789,726)	–	(1,589,286)	–	–	–	(2,462,345)
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	**3,718,861**	**22,550,427**	**46,941,853**	**4,550,501**	**1,033,439**	**3,406,779**	**860,823**	**–**	**83,062,683**
Disposals	**–**	**-**	**(1,941,446)**	**–**	**–**	**–**	**–**	**–**	**(1,941,446)**
Balance at March 31, 2023	**87,080,809**	**932,946,657**	**983,672,244**	**148,746,205**	**20,406,760**	**34,629,697**	**25,778,356**	**–**	**2,233,260,728**
Net Book Value									
Balance at December 31, 2022	₱181,615,402	₱736,897,210	₱490,212,779	₱92,222,332	₱18,522,346	₱7,455,682	₱12,412,915	₱225,384,737	₱1,764,723,405
Balance at March 31, 2023	**₱177,896,543**	**₱753,443,911**	**₱496,729,997**	**₱88,975,147**	**₱19,908,908**	**₱6,812,636**	**₱11,618,259**	**₱227,594,995**	**₱1,782,980,396**

There are no idle assets as at March 31, 2023 and December 31, 2022. The Group has no property and equipment that are used as collateral for existing loans payable.

11. **Intangible Assets**

The Group's intangible assets consist of:

	March 31, 2023	December 31, 2022
Goodwill	**₱1,324,852,131**	₱1,324,852,131
Trademarks	**8,759,352,242**	8,759,352,242
Software	**245,457,089**	249,428,715
Franchise right	**6,076,008**	6,253,328
	₱10,335,737,470	₱10,339,886,416

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

In 2019, the Group acquired the Peri-Peri business from IFGI including the properties, assets and rights which are related to or are used in the said business. Such transaction was accounted for as an acquisition of a business and additional goodwill and trademarks amounting to ₱185.5 million and ₱562.2 million were recorded as at the date of acquisition.

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

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

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

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

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

On April 2, 2019, SPAVI and I-Foods, Inc. (IFI) entered into a purchase agreement (the "Agreement") for the rights, title and interest to the Peri-Peri (P2) Business, including the properties, assets, and rights which are related to or are used in the P2 Business.

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

On June 1, 2019 (the acquisition date), SPAVI and WBHI, a newly-incorporated subsidiary, executed a deed of assignment, wherein SPAVI, assigned, transferred and conveyed all its rights under the Agreement, except with respect to SPAVI's rights under the Agreement pertaining to Trademarks, Know-How and Confidential Information, and Intellectual Properties (collectively, the

“Intangible Assets”) of the P2 Business, to WBHI. Subsequently, WBHI and IFI executed a deed of absolute sale of assets wherein I-Foods sold, transferred and conveyed to WBHI the title, rights, material and physical possession of, and interest in, the assets related to the P2 Business. 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.

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

12. **Right-of-Use Assets and Lease Liabilities**

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

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

The rollforward analysis of this account follows:

	March 31, 2023	December 31, 2022
Cost		
Balance at beginning of year	**₱2,376,814,694**	₱1,967,648,594
Additions	–	611,244,521
Pre-terminations	–	(202,078,421)
Balance at end of year	**2,376,814,694**	2,376,814,694
Accumulated Amortization		
Balance at beginning of year	**933,034,115**	736,132,455
Amortization	**66,924,355**	287,944,102
Pre-terminations	–	(91,042,442)
Balance at end of year	**999,958,470**	933,034,115
Net Book Value	**₱1,376,856,224**	₱1,443,780,579

The rollforward analysis of lease liabilities follows:

	March 31, 2023	December 31, 2022
Balance at beginning of year	**₱1,700,018,174**	₱1,480,736,519
Additions	–	610,225,027
Interest expense	**22,972,929**	102,828,224
Payments	**(66,924,355)**	(360,864,550)
Pre-terminations	–	(130,225,864)
Lease concessions	–	(2,681,182)
Balance at end of year	**1,656,066,748**	1,700,018,174
Current portion of lease liabilities	**58,902,122**	58,902,122
Lease liabilities -net of current portion	**₱1,597,164,626**	₱1,641,116,052

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

h8

	Fixed Payments	Variable Payments	Total
Fixed	**₱72,556,251**	**₱–**	**₱72,556,251**
Variable rent with minimum payment	**68,460,737**	**43,301,360**	**111,762,097**
Variable rent only	**–**	**1,393,943**	**1,393,943**
As at March 31, 2023	**₱141,016,988**	**₱44,695,303**	**₱185,712,291**

	Fixed Payments	Variable Payments	Total
Fixed	₱38,485,870	₱–	₱38,485,870
Variable rent with minimum payment	26,145,379	20,139,804	46,285,183
Variable rent only	–	267,002	267,002
As of March 31, 2022	₱64,631,249	₱20,406,806	₱85,038,056

13. Accounts Payable and Other Current Liabilities

	March 31, 2023	December 31, 2022
Trade:		
Suppliers	**₱703,330,324**	₱1,442,515,377
Related parties	**136,213,015**	127,047,981
Nontrade	**12,583,729**	87,883,647
Accrued expenses:		
Suppliers	**189,258,729**	169,771,074
Utilities	**24,482,256**	48,513,378
Salaries and wages	**19,214,255**	23,907,449
Customers loyalty	**23,397,645**	15,635,843
Interest	**38,954,319**	–
Others	**1,233,651**	1,536,472
Other payables	**289,040,422**	215,402,074
	₱1,437,708,345	₱2,132,213,295

Below are the terms and conditions of the financial liabilities:

- Trade payables are non-interest bearing and are normally settled in 30 to 90 days’ term.
- Nontrade payables consist mainly of reimbursable expenses to officers and employees, payable to contractors and employment agencies which are normally settled in 30 to 90 days’ term.
- Accrued expenses, which consist mainly of accrual of rent expense of stores, utilities, employee benefits and incentives, freight, commissions and storage costs are normally settled in 30 to 90 days’ term.
- Customers loyalty pertain to accumulated points which are generally applied to customer purchases within the next financial year. Revenue is recognized upon actual usage or expiration whichever comes first.
- Other payables are normally settled in 15 to 45 days’ term.

Other payables consist of the following:

	March 31, 2023	December 31, 2022
Output VAT	**₱104,598,743**	₱18,251,158
Customers’ deposits	**59,750,073**	79,152,364
Provision	**47,073,871**	47,073,871

Withholding tax payable	**39,851,594**	36,709,532
Retention Payable	**18,509,098**	12,712,780
Fun certificates payable	**11,206,248**	11,877,495
Others	**8,050,795**	9,624,874
	₱289,040,422	₱215,402,074

14. Related Party Transactions

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

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For the nine months ended March 31, 2023 and 2022, the Group has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

			Amount/ Volume	Outstanding Balance			
Category	Nature	Year	of transaction	Receivable	Payable	Terms	Conditions
Century Pacific Group Inc. (CPGI, Ultimate Parent Company)							
Purchases	Purchase of raw materials and	**2023**	**1,941,710**	**4,032,101**	–	30-day; non-interest	Unsecured
	goods at agreed prices usually on a	2022	1,941,710	3,082,080	–	bearing	
	cost plus basis						
					–		
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	**2023**	**3,018,879**	**10,250,174**	–	30-day; non-interest	Unsecured; not
	cost plus basis) mutually agreed	2022	7,329,639	9,693,410	–	bearing	impaired
	upon by both parties						
Purchases	Purchase of raw materials and	**2023**	**66,965,245**	**–**	**130,054,035**	30-day; non-interest	Unsecured
	goods at agreed prices usually on	2022	48,095,995	–	121,785,346	bearing	
	a cost plus basis						
DBE Project Inc. (DBE)							
Trade sales and service income	Sale of goods at prices (normally on	**2023**	**–**	**2,778,786**	–	30-day; non-interest	Unsecured; not
	cost plus basis) mutually agreed	2022	–	2,778,786	–	bearing	impaired
	upon by both parties						
Purchases	Purchase of raw materials and	**2023**	–	–	–	30-day; non-interest	Unsecured; not
	goods at agreed prices usually on	2022	–	–	293,488	bearing	impaired
	a cost-plus basis						
Century Pacific Food Inc. (CPFI)							
Sales	Sale of goods at prices (normally on	**2023**	**5,665,056**	**5,079,071**	–	30-day; non-interest	Unsecured; not
	cost plus basis) mutually agreed	2022	5,472,162	9,359,643	–	bearing	impaired
	upon by both parties						
Purchases	Purchase of raw materials and	**2023**	**22,784,975**	–	**6,158,980**	30-day; non-interest	Unsecured
	goods at agreed prices usually on	2022	4,578,403	–	4,969,147	bearing	
	a cost plus basis						
		2023		**22,140,132**	**136,213,015**		
		2022		24,913,919	127,047,981		

Compensation of Key Management Personnel

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

	For the three months ended March 31,	
	2023	2022
Salaries	**₱47,928,718**	₱36,294,527
Pension costs	**9,379,845**	13,381,725
	₱57,308,562	₱49,676,252

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

15. Short-term Loans Payable

	March 31, 2023	December 31, 2022
Balance at beginning of year	**₱500,000,000**	₱–
Additions	**–**	500,000,000
Balance at end of year	**₱500,000,000**	₱500,000,000

As at March 31, 2023, the loan has outstanding amount of ₱500.0 million with interest rate of 2.30% per annum. Interest expense pertaining to short-term loans amounting to ₱4.9 million and nil was recognized for the periods ended March 31, 2023 and 2022, respectively.

16. Long-term Loan Payable

Long-term facility loan

On June 8, 2016, the Group entered into an Omnibus Loan and Security Agreement (OLSA) with BDO Unibank, Inc. (the Lender) and SAFHI. The lender provided a term loan facility in the principal amount of ₱5,000.0 million.

The loan is payable within 10 years to commence on the 12th month following the availment date. Payments shall be made in 18 consecutive semi-annual installments of ₱25.0 million and a final payment of ₱4,550.0 million.

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

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

On December 22, 2016, the Group notified BDO of its intention to prepay the loan amounting to ₱1,000.0 million. The exercise of the prepayment option resulted in the revision of estimated future payments and change in the carrying amount of the financial liability as at December 31, 2016.

As at March 31, 2023 and December 31, 2022, the Group is in compliance with the covenants.

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

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

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

The breakdown of the loan is as follows:

	March 31, 2023	December 31, 2022
BDO loan - principal	**₱3,697,986,963**	₱3,697,986,963
Less unamortized debt issue costs	**7,429,009**	7,429,009
BDO loan – net of unamortized debt issue cost	**3,690,557,954**	3,690,557,954
BPI loan	**1,600,000,000**	1,600,000,000
Less current portion of long-term loan	**47,932,514**	47,932,514
Noncurrent portion	**₱5,242,625,440**	₱5,242,625,440

Interest expense amounting to ₱56.0 million and ₱40.3 million was recognized for the three months ended March 31, 2023 and 2022, respectively.

19. **Equity**

Capital Stock

	Number of shares	Amount
Authorized capital stock - ₱1 par value:	2,000,000,000	₱2,000,000,000
Issued and outstanding capital stock - ₱1 par value	1,683,760,178	1,683,760,178

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

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

The issued and outstanding shares as at March 31, 2023 and December 31, 2022 are held by 41 equity holders.

Retained Earnings

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

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

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

Undistributed earnings of the subsidiaries included in the Group's retained earnings amounting to ₱228.3 million as at March 31, 2023 and ₱282.4 million as at December 31, 2022 are not currently available for dividend distribution.

APIC

Amount received in excess of the par values of the shares issued amounting to ₱2,451.1 million were recognized as "APIC" as at March 31, 2023 and December 31, 2022, respectively.

20. Earnings per Share (EPS)

Basic EPS is computed based on the weighted average number of issued and outstanding common shares during each year. Diluted EPS is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year. When there are no potential common shares or other instruments that may entitle the holder to common shares, diluted EPS, is the same as the basic EPS.

There are no dilutive financial instruments as of March 31, 2023 and December 31, 2022, hence, diluted EPS is the same as the basic EPS.

The Group's EPS were computed as follows:

	For the three months ended March 31,	
	2023	2022
(a) Net income (loss)	**₱200,783,190**	₱76,230,761
(b) Weighted average number of shares outstanding	**1,683,760,178**	1,683,760,178
Basic/ diluted EPS (a/b)	**₱0.12**	₱0.05

21. Financial Risks Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, AFS investments and loan to a related party. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables, rental deposit, accounts payable and other current liabilities arising directly from operations and dividends payable.

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

Credit Risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by trading only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and equity price risk on AFS investment. The BOD reviews and approves policies for managing each of these risks and they are summarized below:

The table below shows the maximum exposure to credit risk for the Group's financial assets, without taking account of any collateral and other credit enhancements:

	March 31, 2023	December 31, 2022
Cash*	**₱559,944,411**	₱666,012,635
Trade and other receivables	**1,109,426,161**	1,142,332,038
Rental and other deposits	**276,507,597**	254,504,587
Total credit risk exposure	**₱1,945,878,169**	₱2,062,849,260

Excluding cash on hand.

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

	March 31, 2023					
	Neither Past Due nor Impaired	**Past Due but not Impaired**				
		1–180 Days	**Over 181 days**	**Subtotal**	**Impaired**	**Total**
Cash*	**₱559,944,411**	**₱–**	**₱–**	**₱–**	**₱–**	**₱559,944,411**
Trade and other receivables	**861,288,741**	**245,135,521**	**3,001,898**	**248,137,420**	**9,265,646**	**1,118,691,807**
Rental and other deposits	**217,611,479**	**–**	**58,896,118**	**58,896,118**	**–**	**276,507,597**
	₱1,638,844,631	**₱245,135,521**	**₱61,898,017**	**₱307,033,538**	**₱9,265,646**	**₱1,955,143,815**

Excluding cash on hand.

	December 31, 2022					
	Neither Past Due nor Impaired	Past Due but not Impaired				
		1–180 Days	Over 181 days	Subtotal	Impaired	Total
Cash*	₱666,012,635	₱–	₱–	₱–	₱–	₱666,012,635
Trade and other receivables	809,236,091	330,806,687	–	330,806,687	9,265,646	1,130,777,132
Rental and other deposits	189,287,521	–	65,217,066	65,217,066	–	254,504,587
	₱1,664,536,247	₱330,806,687	₱65,217,066	₱396,023,753	₱9,265,646	₱2,051,294,354

Excluding cash on hand.

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

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

	March 31, 2023			
	High grade	**Medium grade**	**Standard grade**	**Total**
Cash*	**₱559,944,411**	**₱–**	**₱–**	**₱559,944,411**
Trade and other receivables:				
Trade receivables	**195,188,401**	**262,668,750**	–	**457,857,151**
Royalty receivable	**179,989,048**	–	–	**179,989,048**
Receivable from franchisee	–	–	**83,434,454**	**83,434,454**
Receivable from NAF	–	–	**44,091,868**	**44,091,868**
Receivable from employees	–	–	**19,805,883**	**19,805,883**
Other receivables	**76,110,338**	–	–	**76,110,338**
Rental and other deposits	–	–	**217,611,479**	**217,611,479**
	₱1,011,232,197	**₱262,668,750**	**₱364,943,683**	**₱1,638,844,631**

Excluding cash on hand.

	December 31, 2022			
	High grade	Medium grade	Standard grade	Total
Cash*	₱666,012,635	₱–	₱–	₱666,012,635
Trade and other receivables:				
Trade receivables	315,094,042	424,028,503	–	739,122,545
Royalty receivable	170,138,255	–	–	170,138,255
Receivable from NAF	–	–	50,225,215	50,225,215
Receivable from franchisee	–	–	63,775,172	63,775,172
Receivable from employees	–	–	17,710,252	17,710,252
Other receivables	87,645,560	–	–	87,645,560
Rental and other deposits	–	–	189,287,521	189,287,521
	₱1,238,890,492	₱424,028,503	₱320,998,160	₱1,983,917,155

**Excluding cash on hand.*

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

Liquidity Risk. Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of advances to related parties. The Group maintains sufficient cash to finance its operations.

The Group manages its liquidity risk by maintaining strength and quality on financial position where debt-to-equity ratio is at a manageable level. The Group also maintains a financial strategy that the scheduled debts are within the Group's ability to generate cash from its business operations.

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

	March 31, 2023					
	Due and Demandable	**< 90 Days**	**91–180 Days**	**181–365 Days**	**Over 365 Days**	**Total**
Cash	**₱682,129,782**	**₱–**	**₱–**	**₱–**	**₱–**	**₱682,129,782**
Trade and other receivables						
Trade	**457,857,151**	**65,625,055**	**164,638,295**	**–**	**7,539,165**	**695,659,665**
Royalty receivables	**179,989,048**	**–**	**–**	**–**	**–**	**179,989,048**
Receivable from franchisees	**83,434,454**	**–**	**–**	**–**	**–**	**83,434,454**
Receivable from NAF	**44,091,868**	**–**	**–**	**–**	**–**	**44,091,868**
Receivables from employees	**19,805,883**	**13,203,922**	**1,820,918**	**–**	**1,245,567**	**36,076,289**
Other receivables	**78,959,569**	**–**	**–**	**–**	**480,914**	**79,440,483**
Rental and other deposits	**217,611,479**	**–**	**–**	**58,896,118**	**3,297,293**	**279,804,890**
	1,763,879,234	**78,828,976**	**166,459,212**	**58,896,118**	**12,562,939**	**2,080,626,479**
Accounts payable and other current liabilities:						
Trade payables	**–**	**839,543,338**	**–**	**–**	**–**	**839,543,338**
Nontrade payables	**–**	**12,583,729**	**–**	**–**	**–**	**12,583,729**
Accrued expenses	**–**	**295,307,205**	**–**	**–**	**–**	**295,307,205**
Other payables*	**–**	**144,590,085**	**–**	**–**	**–**	**144,590,085**
Dealers' deposit and other noncurrent payables	**–**	**–**	**–**	**–**	**155,459,895**	**155,459,895**
Long-term loans payable**	**47,932,514**	**–**	**–**	**–**	**5,242,625,440**	**5,290,557,954**
	47,932,514	**1,292,024,356**	**–**	**–**	**5,398,085,335**	**6,738,042,205**
Liquidity gap	**₱1,715,946,720**	**(₱1,213,195,380)**	**₱166,459,212**	**₱58,896,118**	**(₱5,385,522,396)**	**(₱4,657,415,726)**

**Excluding statutory payables.*
***Including future interest payments.*

	December 31, 2022					
	Due and Demandable	< 90 Days	91–180 Days	181–365 Days	Over 365 Days	Total
Cash	₱989,578,790	₱–	₱–	₱–	₱–	₱989,578,790
Trade and other receivables						
Trade	424,028,503	74,099,759	240,994,283	–	7,640,101	746,762,646
Royalty receivables	170,138,255	–	–	–	–	170,138,255
Receivable from NAF	50,225,215	–	–	–	–	50,225,215
Receivable from franchisees	63,775,172	–	–	–	–	63,775,172
Receivables from employees	13,423,386	18,001,905	–	–	1,144,630	32,569,921
Other receivables	87,645,560	–	–	–	480,914	88,126,474
Rental and other deposits	189,287,521	–	–	–	62,217,066	254,504,587
	1,988,102,402	92,101,664	240,994,283	–	74,482,711	2,395,681,060
Accounts payable and other current liabilities:						
Trade payables	–	1,569,563,358	–	–	–	1,569,563,358
Nontrade payables	–	101,857,257	–	–	–	101,857,257
Accrued expenses	–	306,438,087	–	–	–	306,438,087
Other payables*	–	247,493,838	–	–	–	247,493,838
Dealers' deposit and other noncurrent payables	–	–	–	–	146,389,568	146,389,568
Long-term loans payable**	47,932,514	–	–	–	5,242,625,440	5,290,557,954
	47,932,514	2,225,352,540	–	–	5,389,015,008	7,662,300,062
Liquidity gap	₱1,940,169,888	(₱2,133,250,876)	₱240,994,284	–	(₱5,314,532,297)	(₱5,266,619,002)

**Excluding statutory payables.*
***Including future interest payments.*

Capital Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can to provide returns to stockholders and benefits to others stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group adjust the dividend payment to stockholders, return capital to stockholders or issue new shares.

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

	March 31, 2023	December 31, 2022
Total liabilities	**10,032,441,744**	10,662,641,171
Total equity	**7,246,560,296**	7,045,777,106
	1.38:1	1.51:1

22. Fair Value Information

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale.

Financial Instruments Whose Carrying Amounts Approximate Fair Value. Management has determined that the carrying amounts of cash, trade and other receivables, accounts payable and other current liabilities and dividends payable, based on their notional amounts, reasonably approximates their fair values because these are mostly short-term in nature or are repriced frequently.

Other Financial Instruments. Set out below is a comparison by category of carrying amounts and estimated fair values of the Group's financial instruments other than those described above:

		As at March 31, 2022		
			Fair Value	
	Date of Valuation	**Carrying Value**	**Level 1 Quoted**	**Level 2 Significant Observable Input**
Assets for which fair values are disclosed -				
Rental deposits	**March 31, 2023**	**₱169,465,374**	**₱–**	**₱145,550,723**
Liabilities for which fair values are disclosed:				
Long-term loans payable	**March 31, 2023**	**₱5,290,557,954**	**₱–**	**₱6,334,150,117**
Dealers' deposits	**March 31, 2023**	**71,530,454**	**–**	**58,097,112**
		₱5,362,088,408	**₱–**	**₱6,392,247,229**

		As at December 31, 2022		
			Fair Value	
	Date of Valuation	Carrying Value	Level 1 Quoted	Level 2 Significant Observable Input
Assets for which fair values are disclosed -				
Rental deposits	December 31, 2022	254,504,587	–	218,589,354
		₱254,504,587	₱–	₱218,589,354
Liabilities for which fair values are disclosed:				
Long-term loans payable	December 31, 2022	₱5,290,557,954	₱–	₱6,334,150,117
Dealers' deposits	December 31, 2022	160,080,740	–	130,017,749
		₱5,450,638,694	₱–	₱6,464,167,866

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

Rental Deposits. The fair values were obtained by discounting the instruments' expected cash flows using interest rates of 3.62% to 6.14% as at March 31, 2023 and December 31, 2022.

Long-term loans Payable. The fair value of loan payable which was discounted using prevailing market rate of 4.29% as at March 31, 2023 and December 31, 2022 approximates the carrying value since these bear interest at current market rates. Fair value category is Level 2, significant observable inputs.

Dealers' Deposits. The fair values were obtained by discounting the instruments' expected cash flows using interest rates of 4.69% as at March 31, 2023 and December 31, 2022.

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

Appendix 9

ASM Minutes
June 20, 2022

M I N U T E S
OF THE
ANNUAL MEETING OF STOCKHOLDERS OF
SHAKEY'S PIZZA ASIA VENTURES INC.
(via remote communication)
Monday, June 20, 2022, AT 8:30 O'CLOCK IN THE MORNING

Number of shares held by shareholders:

Present in Person or Represented by Proxy, and Participant Brokers	-	1,403,806,115
Number of Total Outstanding Shares Preferred and Common	-	1,683,760,178
Percentage of the Total Shares Represented By Proxies and In Person	-	83.37%

Incumbent Directors Present:

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

Also Present:

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

Gilbert Tolentino	Shakey's Company-Owned Business Unit Director and R&B General Manager
Darel G. Pallesco	Corporate Internal Audit Manager
Myrose April C. Victor	Investor Relations Head
Maria Rosario L. Ybanez	Corporate Secretary

I. Call to Order

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

II. Proof of Notice and Determination of Existence of Quorum

The Corporate Secretary, Atty. Maria Rosario L. Ybanez, certified that (a) notices for the annual stockholders' meeting together with the agenda and the Definitive Information Statement of the Corporation were disclosed via PSE EDGE and posted on the Corporation's website on May 17, 2022 and were published in two (2) newspapers of general circulation on May 23 and 24 2022 and May 25 and 26, respectively, and (b) based on the record of attendance, present for the meeting were stockholders, in person or by proxy, holding a total of 1,403,806,115 common shares representing 83.37% of the total outstanding voting shares of the Corporation as of record date of May 4, 2022. The Corporate Secretary therefore certified that there was a quorum for the transaction of business and proceeded to record the minutes of the proceedings.

III. Approval of Minutes of the Annual Stockholders' Meeting held on July 15, 2021

The Chairman proceeded to the next item which was the approval of the minutes of the Annual Stockholders' Meeting held on July 15, 2021. Upon motion duly made and seconded, the shareholders approved the minutes of the annual stockholders' meeting held for the year 2021.

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

IV. President's Report on Operations

The President then presented the Report on Operations for 2021.

The President reported that the Company's systemwide sales landed at 7 billion, 6% higher versus the year before, despite more prolonged quarantine periods imposed in 2021 relative to 2020. The Company's bottomline swung to profitability, increasing by 377 million from 2020 and ending with a 123 million net income.

Shakey's anchored its strategies into five pillars: (1) Health and Safety; (2) Structural Changes; (3) Value Creation; (4) Strategic Pivots; and (5) Portfolio of Wow! Brands.

1. Health and Safety remains a top priority for the Company. In 2021, the Company launched a company-wide vaccination program and contracted vaccine doses to be

given for free on a voluntary basis to all the employees, their dependents, and key business partners. By year-end, 100% of store employees had been fully vaccinated. Shakey's also launched a program called Project Near and Ready, or "Project Nerdy", a project to shorten the travel-time of employees, ensuring that their place of work is within 30 minutes from their homes. By the end of the year, 90% of Shakey's store staff were spending less than 30 minutes to get to their respective stores.

2. The Company implemented programs to unlock efficiencies and growth potential, which included (a) optimizing costs through identified efficiencies at the corporate and store level and (b) accelerating the digitization and automation programs. These initiatives serve a longer-term purpose of unlocking an even higher growth trajectory for the Company moving forward.

3. Shakey's also continued to focus on creating value for guests. The Company rolled out relevant value-for-money promos and bundles to make products more accessible to guests. In addition, the Company also introduced more plant-based offerings that promote health and wellness. The Company also improved the Supercard offering with Supercard Gold, a membership program that provides more benefits to reward to loyal guests.

4. In 2021, the Company launched the new Shakey's Superapp which garnered over one hundred thousand downloads and immediately became one of the top food apps online. The Company also strengthened its delivery and off-premise dining with the the 31-minute "If It's Late, It's Free" Program of the Company. The project further aims to expand this service to key cities outside Metro Manila.

   Shakey's also launched in 2021 the first independent R&B Milktea store – the first ever drive-through milk tea shop in the country. This was followed by another drive-through store for Peri-Peri. The Company initially aimed to open 30 new outlets in 2021 and ended the year with 37 net new stores.

5. The long-term objective of Shakey's is to continue to build a portfolio of WOW brands with strong brand equity and industry-leading margins. Amidst the pandemic, the Company was able to add to its roster two more brands – Project Pie and Potato Corner. Project Pie is an artisanal pizza concept known for its build-your-own pizzas. Potato Corner is the undisputed leader in the kiosk-based fries chain segment, an iconic brand with strong equity among both consumers and franchisees and a highly scalable business model.

Shakey's achieved 2.2 billion in systemwide sales in the first quarter of 2022, growing by 33% versus the same period in 2021. Net income was at 76 million, almost 3 times higher than last year. Since 2021, the Company has been opening new stores, 5 in the first quarter, 1 in Singapore, bringing the store network to 321 as of end March sans Potato Corner, which in turn opened 39 outlets in the first quarter of 2022, bringing its total store network to 1,311 stores globally.

Barring any recurrence of extreme pandemic lockdowns and other major external factors, the Company is seeing that 2022 systemwide sales will at a minimum return to pre-pandemic level, even likely exceeding 2019. Headwinds persist and are being managed by pursuing efficiencies and cost optimization measures. The Company looks forward that 2022 will kickstart a new "growth run" for Shakey's, and repeat the previous unprecedented 16 consecutive years of double-digit growth for both the top and bottomline.

A motion was duly made and seconded to approve the President's Report and the Audited Financial Statements of the Corporation for the period ending December 31, 2021. 100% of the stockholders present and represented approved the President's Report and the Audited Financial Statements.

V. Approval and Ratification of All Acts of the Board of Directors, Board Committees, and Management for the year 2021.

The Chairman of the Meeting then proceeded to the next item on the agenda which was the ratification of all acts, transactions and contracts entered into as well as resolutions made and adopted by the Board of Directors and its duly constituted committees and of the Management of the Company from January to December 2021, as reflected in the minutes of the meetings of the Board of Directors, and its duly constituted committees and of the Management for the period.

Upon motion duly made and seconded, 100% of the stockholders present and represented ratified all the acts of the Board of Directors, Board Committees and Management from January to December 2021.

VI. Election of the Board of Directors

The Chairman of the Meeting announced as the next item in the agenda the election of members of the Board of Directors of the Corporation for 2022 to 20223.

Atty. Maria Rosario L. Ybanez, reported that there were nine (9) persons nominated to, and qualified for, the Board. She confirmed that the Nominations Committee had determined that the following had all the qualifications and none of the disqualifications to be directors of the Corporation for 2022 to 2023:

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

<u>Independent Directors:</u>

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

Considering that there were nine (9) persons nominated to, and qualified for the Board, upon motion made and seconded, all the aforementioned nine (9) individuals who were nominated as members of the Board of Directors of the Corporation for the year 2022 were duly declared elected to the Board of Directors.

The Chairman gave those present the opportunity to object or ask questions but none was raised on the election of the Board of Directors of the Corporation. 95.27% of the stockholders present and represented voted to declare the nine (9) individuals who were nominated as members of the Board of Directors of the Corporation for the year 2022 to 2023 as duly elected to the Board of Directors. The results of the votes are as follows:

Agenda	Voting Results		
	For	Against	Abstain
Call to Order	76.70%	0.00%	1.62%
Secretary's Proof of Due Notice of the Meeting and Determination of Quorum	76.70%	0.00%	1.62%
Approval of the Minutes of the Stockholders' Meeting held on July 15, 2021	100.00%	0.00%	0.00%
Management's Report	100.00%	0.00%	0.00%
Approval and Ratification of all Acts of the Board of Directors, Board Committees and Management for the year 2021	100.00%	0.00%	0.00%
Election of Board of Directors			
Christopher T. Po	95.27%	4.73%	0.00%
Ricardo Gabriel T. Po	95.27%	4.73%	0.00%
Teodoro Alexander T. Po	95.27%	4.73%	0.00%
Leonardo Arthur T. Po	95.27%	4.73%	0.00%
Vicente L. Gregorio	95.27%	4.73%	0.00%
Lance Y. Gokongwei	95.27%	4.73%	0.00%
Fernan Viktor P. Lukban (Independent)	95.27%	4.73%	0.00%
Paulo L. Campos. III (independent)	95.27%	4.73%	0.00%
Frances J. Yu (Independent)	95.27%	4.73%	0.00%
Appointment of External Auditor	100.00%	0.00%	0.00%
Other Matters	71.97%	23.30%	4.73%
Adjournment	71.97%	0.00%	7.66%

VII. Appointment of External Auditor

The Chairman of the Meeting then announced that the next item in the agenda would be the appointment of the external auditor for the year 2022-2023. The current external auditor, Sycip Gorres Velayo & Co., is being recommended for re-appointment as external auditor.

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

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

VIII. Other Matters

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

The first question was on actions that will be taken by management to be able to return to pre-pandemic levels should there be any new variants of the pandemic that would come during the year. The President, Mr. Vicente L. Gregorio, answered that the Company has always been ready for these events. Shakey's has adapted to a lot of structural changes during the pandemic to ensure that the Company was efficient and preserved cash to be able to navigate the crisis. The learnings from this experience are very much operational until the present day. Aside from this, the off-premise business platforms of Shakey's were further strengthened and the Company continues to invest in the infrastructure considering possibilities that lockdowns may be re-imposed in the future. The digital platforms of the Company have been stable and made even more robust with the launch of the new Superapp. Overall, management is confident that there's an extensive contingency plan should the worst happen, and that the business is ready and will come out of these crises even stronger.

The next question was on management's outlook on inflation and how the Company is addressing the rise in costs. The President answered that the Company has always maintained a very conservative stance and the worst-case mindset when it comes to costs and inflation. Nonetheless, structural changes and improvements will also help in countering the high inflation and will continue to soften the cushion for the higher costs to come. Projections for the year remain stable and 2022 will end stronger than 2021 despite the challenges.

The Chairman, Mr. Christopher T. Po, also added that the Company is closely watching the major costs components and hedged most of the requirements for the year. Shakey's is aggressive in accrediting more suppliers for key raw materials and to try to get the most competitive prices and secure the supply in the coming months should the inflation and costs continue to rise.

The last question is on management plans to grow Potato Corner and how synergies can be realized with the existing Shakey's brands. Mr. Gregorio shared that Shakey's took over management in March 2022 and while management is on learning mode, the Company is definitely seeing the full potential of the brand. So far, the actual numbers are leading the business case and are expected to be well ahead of projections. With this, the Company is very optimistic and confident of the brand and its potential. Shakey's also plans to further expand the business domestically and internationally. The Chairman also added that management is drawing up plans to double the number of outlets for the next 3 to 4 years. More importantly, the expansion of Potato Corner promotes entrepreneurship as it presents opportunities and support to small- and medium-sized enterprises. Management sees that Potato Corner will be a next growth pillar for SPAVI.

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

IX. Adjournment

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

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MARIA ROSARIO L. YBANEZ
Corporate Secretary

ATTESTED:

DocuSigned by:

Christopher T. Po

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CHRISTOPHER T. PO
Chairman

Appendix 10

Schedule of Board and Committee Meetings for 2022

Schedule of Board Meetings for 2022

DATE OF MEETING	RESOLUTIONS
January 10, 2022	Sale of Shakey's store in Tarlac City; Closure and Cessation of Business of Shakey's Branches in Tarlac, EDSA Mandaluyong and Binondo; Opening and Maintaining a Trust Account with BDO Unibank Inc
January 27, 2022	Signatories for the Deed of Assignment of Trademarks between SPAVI and Cinco Corporation
February 17, 2022	2021 Financial Performance; 2022 Bounce Back Plans; Project Pentagon; Safety and HR Updates
February 23, 2022	Authorized Representative in the Department of Social Welfare and Development ("DSWD") bidding for its General Assembly of Pantawid Pamilya and Packed Meals for its 71st Anniversary Activity
March 14, 2022	Authorized Representatives for Government Transactions in Luzon, Visayas and Mindanao; Application for Credit Line with Pepsi Cola Products Philippines, Inc.; Merchant Accreditation with Pepsi Cola Products Philippines, Inc.; Authorized Signatory for the sale of Shakey's Stores in Lipa, Batangas
March 15, 2022	Notice of Annual Stockholders' Meeting
March 24, 2022	Authority to continuously provide financial support to SPCI; Approval of release of Financial Statements
April 4, 2022	Authorized signatories for transactions with Philippine Depository and Trust Corporation
April 18, 2022	Authorized signatories for the transfer of ownership of motor vehicle
May 12, 2022	Authorized signatory in the supplemental letter to the Contract of Lease for the Potato Corner outlet in SM City Sorsogon; Authorized signatories to transact with Universal Robina Corporation
June 20, 2022	Regular Meeting of the Board, Approval of Minutes of the Annual Stockholders' Meeting held on July 15, 2020, President's Report on Operations, Approval and Ratification of All Acts of the Board of Directors, Board Committees, and Management for the year 2020; Election of the Board of Directors, Appointment of External Auditor; Declaration of Cash Dividends
June 24, 2022	Authorized Representatives in behalf of the Corporation for pending cases.
July 4, 2022	Authorized signatories to sign the authorization letter authorizing BDO Unibank, Inc. Trust and Investments Group – Securities Services to release the Cash Dividend Checks to the Corporation's Designated Courier, Varied Services, Inc.

August 11, 2022	Authorized representatives and signatories for transactions with BPI; Authorized signatories for transactions of the lease in Lucky Chinatown Mall; Authorized signatories for the sale of Shakey's Store in Iloilo City; Authorized signatories for the transfer of ownership of vehicle
August 26, 2022	YTD July 2022 Financial Report, Full Year Financial Outlook; Potato Corner Update
September 12, 2022	Authorized representatives and signatories for transactions with various government agencies; Authorized representatives for the processing of termination of registration of Shakey's branches; Authorized representatives for the processing of business permit and licenses for the construction of Shakey's and R&B Stores
October 5, 2022	Authorized Representatives and signatories for transactions with various government agencies; Closure and cessation of business operations in Mandaluyong, Quezon City, Makati and Mindanao Avenue; Authorized representatives for the processing of the Corporation's Authority to print Receipts and Invoices with the BIR; Authorized signatory for the sale of Shakey's store in Southern Leyte
November 7, 2022	Authorized representative for transaction with AFNI Philippines, Inc.; Authorized representative in the DepEd Bidding for its Project "Procurement of Food Pass/Meal Coupon (as Tokens of Recognition for DepEd CO Employees' Contribution and Service)"; Authorized representative for transaction with the Olongapo City Hall for their Annual Get Together Celebration; Authorized representative for transactions with Aklan Electric Cooperative, Inc.; Amendment Of The Secretary's Certificate Dated June 4, 2019 For The Authorized Signatories And Representatives For Transactions With Maynilad Water Services, Inc., Manila Water Company, Inc., Manila Electric Railroad And Light Company
November 24, 2022	YTD October 2022 Financial Report; SPAVI Strategic Plans; Commodities Update
December 2, 2022	Authorized representative for transactions with Metro Manila Development Authority ("MMDA") for bulk orders; Authorized representative for transactions with for Research Institute For Tropical Medicine's ("RITM") Christmas Party; Authorized representative for transactions with BIR in processing its permit for Authority to Print; Authorized representative for processing of real property taxes in the province of Aklan

Schedule of Audit Committee Meetings for 2022

DATE OF MEETING	RESOLUTIONS
April 4, 2022	Presentation of external audit for the 2022 audit; Presentation of 2022 Financial Performance; Results of 2022 internal audit
May 2, 2022	Presentation of Q1 2022 Unaudited Financial Performance; Internal Audit Update
August 1, 2022	Presentation of Q2 2022 Financial Results; Internal Audit Results Summary
October 31, 2022	Presentation of external audit for the 2022 audit; Presentation of Q3 2022 Financial Results; Wrap-up of 2022 Internal Audit results

Schedule of Corporate Governance Committee Meetings for 2022

DATE OF MEETING	RESOLUTIONS
February 17, 2022	Results of the Board of Directors' Self-Assessment Survey
November 24, 2022	Mission Inspire – Sustainability Agenda

Schedule of Related Party Transactions Committee Meetings for 2022

DATE OF MEETING	RESOLUTIONS
February 17, 2022	Review of Related Party Transactions for FY 2021
November 24, 2022	Review of Related Party Transactions for YTD 2022

Schedule of the Risk Oversight Committee Meeting for 2022

DATE OF MEETING	RESOLUTIONS
August 26, 2022	Full Year Business Outlook

Attendance in Board of Directors' Meetings

DATE OF MEETING	ATTENDANCE
January 10, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
January 27, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
February 17, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
February 23, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None

March 14, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
March 15, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
March 24, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
April 4, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
April 18, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po

	Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
May 12, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
June 20, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
June 24, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
July 4, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei

	Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
August 11, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
August 26, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
September 12, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
October 5, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu

	ABSENT: None
November 7, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
November 24, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None
December 2, 2022	PRESENT: Christopher T. Po Ricardo Gabriel T. Po Teodoro Alexander T. Po Leonardo Arthur T. Po Lance Y. Gokongwei Fernan Victor P. Lukban Paulo L. Campos III Frances J. Yu ABSENT: None

Attendance in Audit Committee Meetings

DATE OF MEETING	ATTENDANCE
April 4, 2022	Present: FERNAN VICTOR P. LUKBAN PAULO L. CAMPOS, III RICARDO GABRIEL T. PO Absent: None
May 2, 2022	Present: FERNAN VICTOR P. LUKBAN PAULO L. CAMPOS, III Absent: RICARDO GABRIEL T. PO
August 1, 2022	Present: FERNAN VICTOR P. LUKBAN PAULO L. CAMPOS, III Absent: RICARDO GABRIEL T. PO
October 31, 2022	Present: FERNAN VICTOR P. LUKBAN PAULO L. CAMPOS, III RICARDO GABRIEL T. PO Absent: None

<u>Attendance in Board Risk Committee Meetings</u>

DATE OF MEETING	ATTENDANCE
August 26, 2022	Present: FRANCES J. YU FERNAN VICTOR P. LUKBAN LANCE Y. GOKONGWEI Absent: None

Attendance in Corporate Governance Committee Meetings

DATE OF MEETING	ATTENDANCE
February 17, 2022	Present: PAULO L. CAMPOS, III FERNAN VICTOR P. LUKBAN RICARDO GABRIEL T, PO Absent: None
November 24, 2022	Present: PAULO L. CAMPOS, III FERNAN VICTOR P. LUKBAN RICARDO GABRIEL T. PO Absent: None

Attendance in Related Party Transactions Committee Meetings

DATE OF MEETING	ATTENDANCE
February 17, 2022	Present: PAULO L. CAMPOS, III FERNAN VICTOR P. LUKBAN FRANCES J. YU Absent: None
November 24, 2022	Present: PAULO L. CAMPOS, III FERNAN VICTOR P. LUKBAN FRANCES J. YU Absent: None

Appendix 11

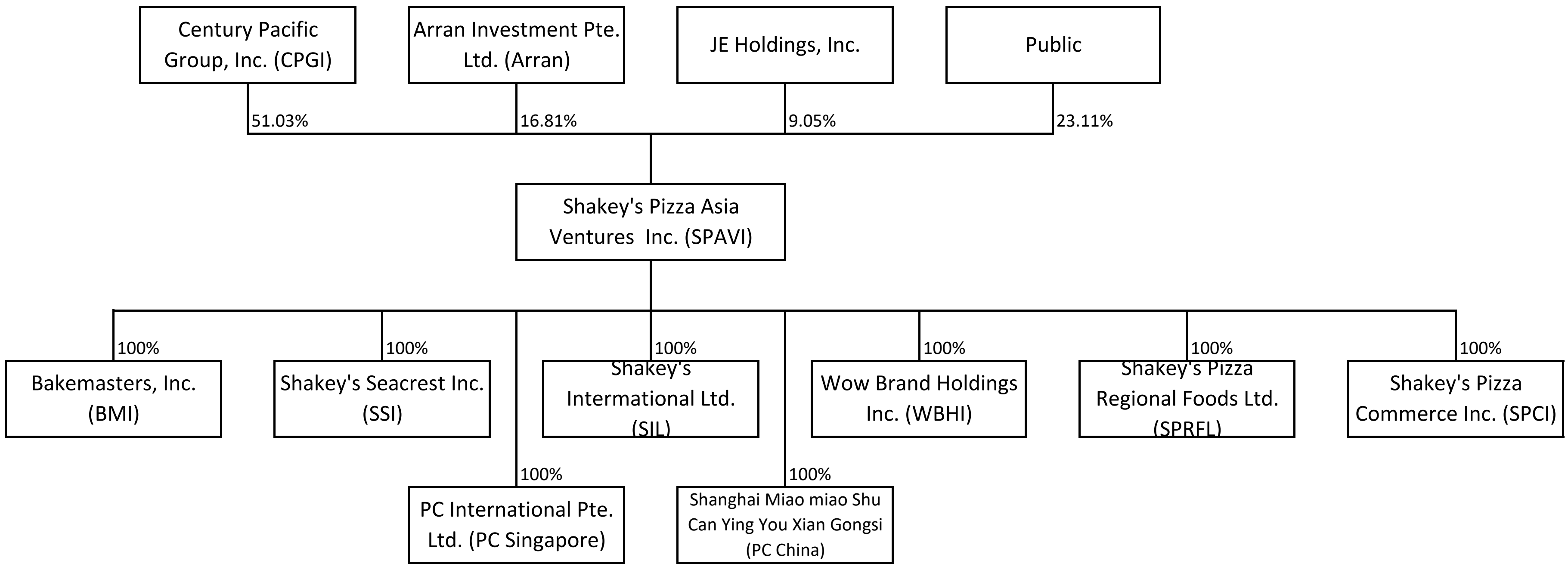
List of SEC Form 23-B
(Director Disclosure on Self-dealings)

List of 23-B:

Reporting Person	Shares Bought / (Sold)	Date
Vicente L. Gregorio	50,000	March 3, 2022
Jorge Maria Q. Concepcion	100,000	April 29, 2022
Vicente L. Gregorio	149,500	April 29, 2022
Jorge Maria Q. Concepcion	42,000	May 2, 2022
Vicente L. Gregorio	50,500	May 2, 2022
Jorge Maria Q. Concepcion	49,000	May 26, 2022
Jorge Maria Q. Concepcion	20,000	June 24, 2022
Century Pacific Group, Inc	4,648,300	June 28, 2022
Jorge Maria Q. Concepcion	10,000	June 29, 2022
Jorge Maria Q. Concepcion	20,000	July 8, 2022
Century Pacific Group, Inc.	297,200	July 8, 2022
Century Pacific Group, Inc.	426,900	July 18, 2022
Century Pacific Group, Inc.	1,275,600	January 6, 2023
Century Pacific Group, Inc.	1,275,600	January 9, 2023
Gilbert L. Tolentino	(3,000)	January 20, 2023
Vicente L. Gregorio	10,000	January 25, 2023
Vicente L. Gregorio	15,000	March 6, 2023
Century Pacific Group, Inc.	1,694,000	March 29, 2023

Appendix 12

Shakey's Pizza Asia Ventures Inc.
Conglomerate Map
(as of March 15, 2023)


Century Pacific Group, Inc. (CPGI)
51.03%
Arran Investment Pte. Ltd. (Arran)
16.81%
JE Holdings, Inc.
9.05%
Public
23.11%
Shakey's Pizza Asia Ventures Inc. (SPAVI)
100%
Bakemasters, Inc. (BMI)
100%
Shakey's Seacrest Inc. (SSI)
100%
Shakey's International Ltd. (SIL)
100%
Wow Brand Holdings Inc. (WBHI)
100%
Shakey's Pizza Regional Foods Ltd. (SPRFL)
100%
Shakey's Pizza Commerce Inc. (SPCI)
100%
PC International Pte. Ltd. (PC Singapore)
100%
Shanghai Miao miao Shu Can Ying You Xian Gongsi (PC China)