



14 July 2023

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex  
Roxas Boulevard, 1307 Pasay City

Attention: **Mr. Vicente Graciano P. Felizmenio Jr.**  
Director, Markets and Securities Regulation Department

**THE PHILIPPINE STOCK EXCHANGE INC.**

6<sup>th</sup> Floor PSE Tower  
5<sup>th</sup> Avenue corner 28<sup>th</sup> St.,  
Bonifacio Global, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**  
OIC – Disclosure Department

Gentlemen:

In compliance with the listing obligation of Figaro Coffee Group, Inc. ("FCG") or (the "Company"), please find the attached Company's Quarterly Progress Report on the application of the proceeds from the Initial Public Offering (IPO) as of 30 June 2023, period covered from April to June 2023.

Below are the attachments:

- (i) Quarterly Summary of Disbursement of the IPO Proceeds as of 30 June 2023 as certified by the Chief Financial Officer (CFO);
- (ii) Report of the External Auditor on Review of Certain Financial Information.

Sincerely,

  
**JOSE PETRONIO VICENTE D. ESPAÑOL III**  
Treasurer, Chief Finance Officer and Chief Risk Officer



**FIGARO COFFEE GROUP, INC.**

**QUARTERLY SUMMARY OF DISBURSEMENT OF IPO PROCEEDS**

(As of 30 June 2023)

(Amounts in Philippine Peso)

Balance of the Net IPO Proceeds as of:	<b>31 March 2023</b>			<b><u>216,074,030.21</u></b>
Less:				
Disbursements*				
Accumulated costs incurred as of:	<b>30 June 2023</b>			
Professional fees, taxes and licenses		<b>PHP</b>	-	
Software: IT Infrastructure			<b>762,552.54</b>	
Capital expenditures for store network expansion			<b>59,491,517.71</b>	
Commissary Expansion			<b>108,336,630.82</b>	
Total Disbursements as of:	<b>30 June 2023</b>			<b><u>168,590,701.07</u></b>
Balance of the Net IPO Proceeds as of:	<b>30 June 2023</b>			<b><u>47,483,329.14</u></b>

*\*The remaining balance of the IPO Proceeds is expected to be utilized and disbursed in accordance with the use of IPO Proceeds.*

Certified true and correct:

**JOSE PETRONIO VICENTE ESPAÑOL III**

Treasurer/ Chief Finance Officer and Chief Risk Officer

## REPORT OF FACTUAL FINDINGS

### The Board of Directors

#### FIGARO COFFEE GROUP, INC.

116 E. Main Avenue, Phase V, SEZ Laguna Technopark  
Binan, Laguna

We have performed the procedures agreed with you and enumerated below with respect to the attached Progress Report as of and for the quarter ended **June 30, 2023** on the application of the proceeds from the Initial Public Offering (the "Offering") of **FIGARO COFFEE GROUP, INC.** (the "Company"). The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the accuracy of information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures are summarized as follows:

1. Obtained the Progress Report on the Application of the Proceeds from the Initial Public Offering as at and for the quarter ended **June 30, 2023** (the "Schedule");
2. Checked the mathematical accuracy of the Schedule;
3. Compared the disbursements in the Schedule to the Progress Report for the quarter ended **June 30, 2023**;
4. Traced disbursements to the supporting documents such as billing statements, billing fee letters, billing agreements, sales invoices, official receipts, and bank statements and agreed the amount to the accounting records;
5. Inquired into and identified the nature of the disbursements for the quarter ended **June 30, 2023**. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the Offering.

We report our findings below:

1. With respect to item 1, we were able to obtain the Schedule as at and for the quarter ended June 30, 2023.
2. With respect to item 2, we found the Schedule to be mathematically correct.
3. With respect to item 3, we noted that the disbursements in the Schedule agree to the total disbursements for the quarter ended June 30, 2023 per list of disbursements provided.
4. With respect to item 4, we obtained the supporting documents such as official receipts, deposit slips, billings, statements of account and BIR form 2000. The amounts recorded agreed with the supporting documents.
5. With respect to item 5, we noted, based on our inquiries, examination of supporting documents and understanding of the underlying transactions that all the disbursements made for the quarter ended June 30, 2023 as appearing in the Schedule are consistent with the planned use of the proceeds.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the use of proceeds from the Offering based on the said standards.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the Offering and items specified above and do not extend to any financial statements of the Company taken as a whole.

**R.S. BERNALDO & ASSOCIATES**

BOA/PRC No. 0300

Valid until May 28, 2024

SEC Group A Accredited

Accreditation No. 0300-SEC

Valid until 2024 audit period

BSP Group B Accredited

Accreditation No. 0300-BSP

Valid until 2026 audit period

BIR Accreditation No. 08-007679-000-2020

Valid from February 24, 2020 until February 23, 2023

IC Group B Accreditation No. 0300-IC

Valid until 2026 audit period



**ROMEO A. DE JESUS, JR.**

Managing Partner

CPA Certificate No. 86071

SEC Group A Accredited

Accreditation No. 86071-SEC

Valid until 2024 audit period

BIR Accreditation No. 08-004744-001-2021

Valid from January 25, 2021 until January 24, 2024

Tax Identification No. 109-227-897

IC Group B Accreditation No. 86071-IC

Valid until 2026 audit period

PTR No. 9567815

Issued on January 4, 2023 at Makati City

July 14, 2023